



**THE GOVERNMENT'S EXPENDITURE PLANS  
1993-94 TO 1995-96**

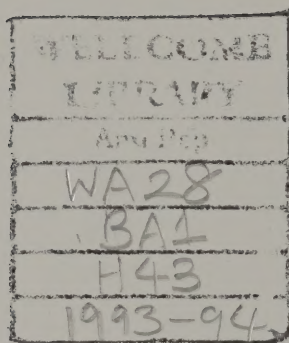
Department of Health  
and  
Office of Population  
Censuses and Surveys

**DEPARTMENTAL REPORT**

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This is part of a series of departmental reports (Cm 2201 to 2218), accompanied by a Statistical Supplement to the Autumn Statement (Cm 2219), which present the Government's expenditure plans for 1993-94 to 1995-96.

The complete series is also available as a set at a discounted price.



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**DEPARTMENT OF HEALTH AND OFFICE OF POPULATION CENSUSES AND SURVEYS**

**DEPARTMENTAL REPORT:  
THE GOVERNMENT'S EXPENDITURE PLANS 1993-94 TO 1995-96**

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**CORRECTION**

Title page, February 1992 should read February 1993

Page 9, Table 4,

The figure for Total National Health Service, Capital expenditure, gross, 1991-92 should read £1668 m, not £1638 m.

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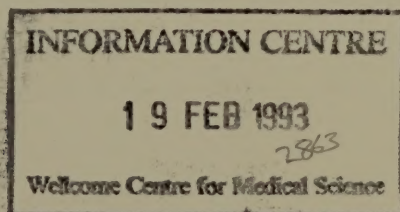






THE GOVERNMENT'S EXPENDITURE PLANS  
1993-94 TO 1995-96

Department of Health  
and  
Office of Population  
Censuses and Surveys



**DEPARTMENTAL REPORT**

*Presented to Parliament by the Secretary of State for Health and  
the Chief Secretary to the Treasury by Command  
of Her Majesty February 1992*

The purpose of this report is to present to Parliament and to the public a clear and informative account of the expenditure and activities of the Department of Health and the Office of Population Censuses and Surveys. If you would like further information on anything contained in the report, or have any comments or suggestions on its content or presentation, please write to:

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## CONTENTS

|     |   |     |
|-----|---|-----|
| I   | GENERAL                                   | 1   |
| II  | DEPARTMENT OF HEALTH                      | 5   |
| III | OFFICE OF POPULATION CENSUSES AND SURVEYS | 71  |
|     | ANNEXES                                   | 87  |
|     | List of Tables                            | 119 |
|     | List of Figures                           | 120 |
|     | Bibliography                              | 121 |
|     | Glossary                                  | 123 |
|     | Index                                     | 127 |





## CHAPTER 1 INTRODUCTION

- 1.1 This is the third in a series of reports which provides financial information about the spending programmes of the Department of Health and the Office of Population Censuses and Surveys (OPCS).
- 1.2 The Department of Health (covered in Part II) is responsible for health and personal social services in England.
- 1.3 The Health programme consists of expenditure by central government. The Department sets overall policy on all health issues, including public health matters and the health consequences of environmental and food issues. It is also responsible for the provision of health services locally, a function which it discharges through the National Health Service Management Executive (NHSME). The NHSME is responsible for the central management and guidance of the statutory regional and district health authorities, family health services authorities and certain special health authorities. It is also responsible for holding NHS trusts directly accountable to Ministers, in particular for the performance of their statutory financial duties.
- 1.4 The Personal Social Services (PSS) programme consists largely of spending by local authorities. The Department sets the overall policy for delivery of personal social services and provides advice and guidance to local authorities. The programme is financed in part by specific central government grants and credit approvals, but local authority PSS revenue expenditure depends on decisions by individual local authorities on how to spend the resources available to them.
- 1.5 OPCS (covered in Part III) is a separate department, which reports to the Secretary of State for Health. It is responsible for securing the provision of an efficient and effective system for the registration of births, deaths and marriages, and for the provision of high quality demographic, social and medical information. The OPCS programme consists of expenditure by central government.
- 1.6 **Table 1** summarises central government expenditure and cash plans for the Department of Health and OPCS; further details are given in **Annex A**. **Table 2** provides details of local authority expenditure. Both these sets of figures are discussed in greater detail in the sections which follow.
- 1.7 Details of spending on health and personal social services programmes in Scotland, Wales and Northern Ireland are contained in those Departments' Departmental Reports. A breakdown of total Government expenditure on these programmes within the United Kingdom for current and past years is given in **Table 2.5** of the Statistical Supplement to the Autumn Statement (Cm 2219). **Annex B** to this report summarises recent expenditure trends and future spending plans for the NHS in the United Kingdom.

TABLE 1

## SUMMARY CASH PLANS

£MILLION

|   | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>outturn | 1992-93<br>estimated<br>outturn | 1993-94<br>plans | 1994-95<br>plans | 1995-96<br>plans |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|------------------|
| <b>Department of Health</b>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>Health services</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| National Health Service hospital,<br>community health, family health<br>(cash limited) and related services <sup>(1)(2)</sup> | 12,530             | 13,807             | 15,000             | 16,923             | 19,322             | 21,223                          | 21,815           | 22,554           | 23,344           |
| National Health Service trusts <sup>(3)</sup>   |                    |                    |                    |                    | -23                | 212                             | 172              | 295              | 301              |
| National Health Service family health<br>services (non-cash limited) <sup>(1)</sup>   | 3,596              | 4,058              | 4,228              | 4,690              | 5,219              | 5,519                           | 6,087            | 6,433            | 6,770            |
| Departmental administration   | 162                | 174                | 185                | 234                | 248                | 337                             | 300              | 292              | 300              |
| Central health and<br>miscellaneous services  | 380                | 391                | 440                | 479                | 589                | 631                             | 659              | 703              | 740              |
| General Practice Finance<br>Corporation   |                    | -20                |                    |                    |                    |                                 |                  |                  |                  |
| <b>Total health services</b>  | 16,668             | 18,409             | 19,853             | 22,328             | 25,356             | 27,922                          | 29,034           | 30,277           | 31,456           |
| <b>Other services</b>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Personal social services  | 16                 | 16                 | 22                 | 29                 | 37                 | 49                              | 54               | 51               | 52               |
| Civil defence   | 2                  | 2                  | 2                  | 1                  | 1                  | 3                               | 3                | 3                | 3                |
| General Practice Finance<br>Corporation   | 12                 | -49                |                    |                    |                    |                                 |                  |                  |                  |
| Central government grants to<br>local authorities   | 1                  | 8                  | 24                 | 31                 | 58                 | 88                              | 629              | 743              | 614              |
| Credit approvals  | 68                 | 73                 | 67                 | 84                 | 106                | 128                             | 132              | 135              | 141              |
| <b>Total Department of Health</b>   | 16,767             | 18,459             | 19,968             | 22,471             | 25,557             | 28,189                          | 29,850           | 31,208           | 32,265           |
| <i>Of which:</i>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <i>Central government's own<br/>expenditure</i>   | 16,686             | 18,427             | 19,877             | 22,355             | 25,416             | 27,762                          | 28,918           | 30,035           | 31,210           |
| <i>Public corporations (excluding<br/>nationalised industries)</i>  | 12                 | -49                |                    |                    | -23                | 212                             | 172              | 295              | 301              |
| <i>Central government support to<br/>local authorities</i>  | 69                 | 81                 | 91                 | 115                | 164                | 215                             | 760              | 878              | 754              |
| <b>Office of Population Censuses and<br/>Surveys</b>  | 31                 | 27                 | 34                 | 53                 | 101                | 41                              | 33               | 32               | 33               |
| <b>Total Department of Health and<br/>Office of Population Censuses<br/>and Surveys</b>                                       | 16,799             | 18,486             | 20,003             | 22,523             | 25,658             | 28,230                          | 29,883           | 31,241           | 32,298           |

<sup>(1)</sup>In 1991-92 and 1992-93 provision of £133 and £299 million respectively for drugs prescribed by GP fundholders is included in HCHS current expenditure. However, for other years all provision for FHS drug costs is included in FHS non-cash limited provision. This reflects the fact that there is no basis for adjusting previous years' figures because GP fundholders did not exist before 1 April 1991 and for future years decisions on the number of GP fundholders have not yet been taken.

<sup>(2)</sup>HCHS current includes funding for NHS trust capital expenditure (see paragraph 3.27), an estimated £231m in 1991-92 and £363m in 1992-93 and provisional figures in 1993-94, and 1995-96.

<sup>(3)</sup>Figures for forward years are provisional estimates.



TABLE 2

LOCAL AUTHORITY EXPENDITURE<sup>(1)</sup>

£MILLION

|  | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>estimated<br>outturn | 1992-93<br>estimated<br>outturn |
|--|--------------------|--------------------|--------------------|--------------------|---------------------------------|---------------------------------|
| <b>Department of Health</b>              |                    |                    |                    |                    |                                 |                                 |
| <b>Current spending</b>                  |                    |                    |                    |                    |                                 |                                 |
| Personal social services                 | 2,964              | 3,297              | 3,713              | 4,216              | 4,634                           | 4,999                           |
| Port Health                              | 4                  | 4                  | 4                  | 5                  | 5                               | 6                               |
| Total current spending                   | 2,968              | 3,301              | 3,717              | 4,221              | 4,639                           | 5,005                           |
| <b>Capital spending<sup>(2)</sup></b>    |                    |                    |                    |                    |                                 |                                 |
| Personal social services                 | 94                 | 109                | 157                | 145                | 138                             | 164                             |
| Total net capital spending               | 94                 | 109                | 157                | 145                | 138                             | 164                             |
| <i>Of which:</i>                         |                    |                    |                    |                    |                                 |                                 |
| Gross spending                           | 150                | 178                | 224                | 174                | 163                             | 186                             |
| Capital receipts                         | -56                | -68                | -67                | -29                | -25                             | -22                             |
| <b>Total local authority expenditure</b> | <b>3,062</b>       | <b>3,410</b>       | <b>3,874</b>       | <b>4,368</b>       | <b>4,777</b>                    | <b>5,169</b>                    |

<sup>(1)</sup> Local authority expenditure does not currently form part of the planning total, but the element of central government support within it does, and is described in the Statistical Supplement to the 1992 Autumn Statement - Section 5 - local authority expenditure. However, from 1993-94, local authority expenditure will form part of the new planning total. **Annex A** of this report identifies specific support for local authority personal social services through current capital grants and credit approvals.

<sup>(2)</sup> The 1992-93 estimated capital expenditure figures do not take account of the expected effects on local authorities' spending power of capital receipts relaxation measure announced in the Autumn Statement.



## DEPARTMENT OF HEALTH

|    |   |    |
|----|---|----|
| 2. | Aims, Objectives and Priorities                                 | 5  |
| 3. | Expenditure   | 6  |
|    | The Health Programme  | 6  |
|    | Sources of Finance  | 10 |
|    | Recent Expenditure Trends                                       | 11 |
|    | Expenditure Plans   | 13 |
|    | Expenditure Breakdown   | 13 |
|    | The Personal Social Services Programme                          | 20 |
|    | Recent Expenditure Trends                                       | 20 |
|    | Expenditure Plans   | 22 |
|    | Expenditure Breakdown   | 23 |
|    | Community Care Expenditure                                      | 26 |
|    | Departmental Administration                                     | 27 |
| 4. | Major Policy and Service Developments                           | 29 |
|    | Improving Health - "The Health of the Nation"                   | 29 |
|    | Improving the Quality of Health Care - The Patient's Charter    | 32 |
|    | Community Care  | 34 |
|    | International Cooperation and Health - The European Community   | 40 |
|    | The Structure of the NHS  | 41 |
| 5. | Performance and Use of Resources                                | 44 |
|    | The Health Programme  | 44 |
|    | Hospital and Community Health Services                          | 44 |
|    | Family Health Services  | 48 |
|    | Central Health and Miscellaneous Services                       | 54 |
|    | Accountability and Monitoring                                   | 54 |
|    | Regional Comparisons  | 55 |
|    | Staffing  | 59 |
|    | Specific initiatives to increase efficiency and value for money | 63 |
|    | The Personal Social Services Programme                          | 65 |
|    | Departmental Administration                                     | 67 |

## CHAPTER 2. AIMS, OBJECTIVES AND PRIORITIES

### Aims

- 2.1 The Department of Health's overall aims are to improve the health and well-being of the people of England and to secure the provision of high quality care for those who need it.

### Goals

- 2.2 To achieve those aims, the Secretary of State looks to the Department to develop policies and to establish the necessary management and resource framework to:

- protect, promote and improve the health of the nation;
- secure high quality health care through the National Health Service;
- secure high quality social care through local authorities and other agencies;
- play an effective part in the work of the European Community and other international health and social services issues;

and to secure value for money from the resources provided to cover its own running costs and programme expenditure. Charts showing the allocation of Ministerial responsibilities and the organisation of the Department of Health and of the NHS are at **Annexes C, D and E** of this report.

### Priorities and Key Challenges

- 2.3 Each year, the Secretary of State identifies specific priorities and key challenges in support of these goals, in detail for the year ahead and in less detail for the following three years. Priorities for 1992-93 to 1995-96 are set out at **Annex F**.
- 2.4 Progress against all the 1992-93 priorities is summarised in **Annex F**. Major policy and service developments during 1992-93 in pursuit of those priorities are described in detail in Chapter 4, and work to improve value for money in the Department itself in paragraphs 5.51 to 5.64 of Chapter 5. Summary reports on the work of the Department's executive agencies are at **Annex G**.



## CHAPTER 3. EXPENDITURE

## The Health Programme

3.1 The health programme consists of:

- NHS Hospital and Community Health Services (HCHS), providing all hospital care and a wide range of community health services;
- NHS Family Health Services (FHS), providing general medical, dental and pharmaceutical services and some ophthalmic services and covering the cost of medicines prescribed by general practitioners (GPs);
- Central Health and Miscellaneous Services (CHMS), providing services which can most effectively be administered centrally, for example welfare food and support to the voluntary sector;
- the administrative costs of the Department of Health.

3.2 Details of outturn and planned expenditure on the health programme both in total and for each of these sub-programmes are given in **Table 3**. This shows not only net expenditure, like **Table 1** and **Annex A**, but also gross expenditure, that is, including the additional sums available for the health programme from receipts (from sale of land excess to requirements, income from private patients, etc) and charges. Comparable figures for the UK are given in **Annex B** at the end of this report.

TABLE 3

## NATIONAL HEALTH SERVICE, ENGLAND – BY VOTE STRUCTURE

£MILLION

|  | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>outturn | 1992-93<br>estimated<br>outturn | 1993-94<br>plans | 1994-95<br>plans | 1995-96<br>plans |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|------------------|
| <b>Central government expenditure</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>National Health Service hospitals,<br/>community health, family health<br/>(cash limited) and related services<sup>(1)(2)</sup></b> |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 11,960             | 13,268             | 14,222             | 16,027             | 18,589             | 20,464                          | 21,235           | 22,309           | 23,079           |
| -charges and receipts  | -332               | -368               | -413               | -476               | -486               | -457                            | -463             | -475             | -484             |
| -net   | 11,628             | 12,901             | 13,809             | 15,551             | 18,103             | 20,007                          | 20,772           | 21,834           | 22,595           |
| Capital expenditure <sup>(3)</sup>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 1,103              | 1,186              | 1,423              | 1,551              | 1,385              | 1,416                           | 1,244            | 920              | 953              |
| -receipts  | -201               | -280               | -232               | -178               | -167               | -200                            | -200             | -200             | -204             |
| -net   | 902                | 906                | 1,191              | 1,372              | 1,219              | 1,216                           | 1,044            | 720              | 749              |
| <b>Total</b>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 13,063             | 14,454             | 15,645             | 17,577             | 19,974             | 21,880                          | 22,479           | 23,229           | 24,032           |
| -charges and receipts  | -533               | -647               | -645               | -654               | -653               | -657                            | -663             | -675             | -688             |
| -net   | 12,530             | 13,807             | 15,000             | 16,923             | 19,322             | 21,223                          | 21,815           | 22,554           | 23,344           |
| <b>National Health Service Trusts</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -net   |                    |                    |                    |                    | -23                | 212                             | 172              | 295              | 301              |
| <b>National Health Service family<br/>health services (non-cash limited)</b>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 4,019              | 4,554              | 4,811              | 5,304              | 5,880              | 6,175                           | 6,810            | 7,208            | 7,593            |
| -charges and receipts  | -423               | -496               | -583               | -614               | -661               | -655                            | -723             | -775             | -823             |
| -net   | 3,596              | 4,058              | 4,228              | 4,690              | 5,219              | 5,519                           | 6,087            | 6,433            | 6,770            |
| <b>Departmental administration</b>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 160                | 170                | 183                | 223                | 251                | 310                             | 287              | 290              | 302              |
| -receipts  | -5                 | -6                 | -7                 | -10                | -26                | -16                             | -18              | -19              | -19              |
| -net   | 155                | 164                | 176                | 213                | 225                | 293                             | 269              | 271              | 283              |

Continued

# DEPARTMENT OF HEALTH

TABLE 3 cont NATIONAL HEALTH SERVICE, ENGLAND

£MILLION

|  | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>outturn | 1992-93<br>estimated<br>outturn | 1993-94<br>plans | 1994-95<br>plans | 1995-96<br>plans |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|------------------|
| Capital expenditure                              |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 7                  | 10                 | 9                  | 21                 | 23                 | 44                              | 32               | 21               | 18               |
| -receipts  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -net   | 7                  | 10                 | 9                  | 21                 | 23                 | 44                              | 32               | 21               | 18               |
| <b>Total</b>                                     |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 167                | 180                | 192                | 244                | 274                | 354                             | 319              | 310              | 320              |
| -receipts  | -5                 | -6                 | -7                 | -10                | -26                | -16                             | -18              | -19              | -19              |
| -net   | 162                | 174                | 185                | 234                | 248                | 337                             | 300              | 292              | 301              |
| <b>Central health and miscellaneous services</b> |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure                              |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 384                | 386                | 443                | 475                | 594                | 626                             | 661              | 704              | 746              |
| -receipts  | -21                | -20                | -24                | -27                | -35                | -27                             | -33              | -35              | -36              |
| -net   | 363                | 365                | 419                | 448                | 559                | 599                             | 628              | 669              | 710              |
| Capital expenditure                              |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 19                 | 25                 | 22                 | 32                 | 30                 | 34                              | 30               | 34               | 30               |
| -receipts  | -3                 |                    |                    |                    |                    | -2                              |                  |                  |                  |
| -net   | 17                 | 25                 | 22                 | 32                 | 30                 | 32                              | 30               | 34               | 30               |
| <b>Total</b>                                     |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 404                | 411                | 464                | 506                | 625                | 660                             | 692              | 738              | 777              |
| -receipts  | -24                | -20                | -24                | -27                | -35                | -29                             | -33              | -35              | -36              |
| -net   | 380                | 391                | 440                | 479                | 589                | 631                             | 659              | 703              | 740              |
| <b>General Practice Finance Corporation</b>      |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure                              |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -receipts  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -net   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Capital expenditure                              |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -receipts  |                    | -21                |                    |                    |                    |                                 |                  |                  |                  |
| -net   |                    | -21                |                    |                    |                    |                                 |                  |                  |                  |
| <b>Total</b>                                     |                    | -20                |                    |                    |                    |                                 |                  |                  |                  |
| <b>Total National Health Service</b>             |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure                              |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 16,524             | 18,377             | 19,658             | 22,029             | 25,314             | 27,574                          | 28,994           | 30,511           | 31,720           |
| -charges and receipts                            | -782               | -889               | -1,027             | -1,128             | -1,208             | -1,155                          | -1,238           | -1,303           | -1,363           |
| -net   | 15,742             | 17,488             | 18,632             | 20,901             | 24,106             | 26,419                          | 27,756           | 29,207           | 30,358           |
| Capital expenditure                              |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 1,129              | 1,221              | 1,454              | 1,603              | 1,416              | 1,705                           | 1,478            | 1,270            | 1,302            |
| -receipts  | -204               | -300               | -232               | -178               | -167               | -203                            | -200             | -200             | -204             |
| -net   | 926                | 921                | 1,221              | 1,425              | 1,250              | 1,503                           | 1,278            | 1,069            | 1,098            |
| <b>Total</b>                                     |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 17,653             | 19,599             | 21,112             | 23,632             | 26,731             | 29,280                          | 30,471           | 31,780           | 33,023           |
| -charges and receipts                            | -985               | -1,190             | -1,259             | -1,306             | -1,375             | -1,358                          | -1,438           | -1,504           | -1,567           |
| -net   | 16,668             | 18,409             | 19,853             | 22,326             | 25,356             | 27,922                          | 29,034           | 30,277           | 31,456           |

(1) In 1991-92 and 1992-93 provision of £133 and £299 million respectively for drugs prescribed by GP fundholders is included in HCHS current expenditure. However, for other years all provision for FHS drug costs is included in FHS non-cash limited provision. This reflects the fact that there is no basis for adjusting previous years' figures because GP fundholders did not exist before 1 April 1991 and for future years decisions on the number of GP fundholders have not yet been taken.

(2) HCHS current includes funding for NHS trust capital expenditure (see paragraph 3.27), an estimated £231 million in 1991-92 and £363 million in 1992-93 and provisional figures in 1993-94, 1994-95 and 1995-96.

## 3.3

**Table 3** reflects the way in which funds are currently voted by Parliament and allocated to the NHS. It will be noted in particular that the HCHS figures include FHS cash limited spending (family health services authority administration and General Medical Services cash limited spending) and spending by GP fundholders on drugs. A number of changes to Vote structures relating to the NHS reforms took effect in 1991-92. Figures have generally

been adjusted for these and any other classification changes, so that they provide a constant series. However, there are areas where no adjustment can be made. For example:

- the HCHS current figures from 1991-92 onwards include provision for the part of capital spending by NHS trusts which is financed through health authority payments for services and for spending by GP fundholders on drugs (note that it is too early to say what sum will be transferred from the FHS to the HCHS for fundholders' drug expenditure in 1993-94, so the non cash limited FHS figures include all GP expenditure on drugs for every year except 1991-92 and 1992-93);
- the HCHS capital figures exclude not only the trust capital spending which is financed through health authority payments for services (included in the HCHS current line) but also the trust capital spending which is financed through their external financing limits (shown in a separate line).

- 3.4 There is therefore a break in series in the HCHS current and capital, NHS trust, FHS, and NHS current, capital and total lines of **Table 3** between 1990-91 and 1991-92. Furthermore, numbers of NHS trusts and of GP fundholders increased significantly in 1992-93 and will do so again in 1993-94.
- 3.5 In last year's Departmental Report and in other public expenditure publications, purchases of services from NHS trusts were measured at price levels which covered trusts' liability to remunerate their debt to the Consolidated Fund. Thus health authorities' purchases from trusts have included cash elements which have then been paid back to the Exchequer as interest (and other) payments. This contrasts with the position for directly managed units, which do not have such debt. The difference arises because of trusts' status as public corporations, outside the general government sector. This circular flow of funds is peculiar to the NHS. Since the Autumn Statement, additional cash costs on the Health programme to remunerate this debt have been excluded from the New Control Total, but are included within General Government Expenditure as an accounting adjustment. Removing trust debt remuneration allows levels of and trends in health service expenditure to be more readily identified, and means that spending trends for directly managed units and for trusts are reported on a consistent basis.
- 3.6 The control total has been adjusted from 1991-92 to 1995-96 to reflect this change. Sums of £134 million, £407 million, £669 million and £869 million have been excluded from current plans over previous plans.

TABLE 4

NATIONAL HEALTH SERVICE, ENGLAND - BY AREA OF EXPENDITURE

£MILLION

|  | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>outturn | 1992-93<br>estimated<br>outturn | 1993-94<br>plans | 1994-95<br>plans | 1995-96<br>plans |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|------------------|
| <b>Central government expenditure<sup>(1)(2)(3)</sup></b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>National Health Service Hospitals<br/>community health, family health<br/>(cash limited) and related services</b> |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure <sup>(1)(2)(3)</sup>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 11,960             | 13,268             | 14,222             | 16,027             | 18,181             | 19,780                          | 20,542           | 21,352           | 22,103           |
| -charges and receipts  | -332               | -368               | -413               | -476               | -486               | -457                            | -463             | -475             | -484             |
| -net   | 11,628             | 12,901             | 13,809             | 15,551             | 17,695             | 19,323                          | 20,079           | 20,877           | 21,619           |
| Capital expenditure <sup>(3)(4)</sup>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 1,103              | 1,186              | 1,423              | 1,551              | 1,638              | 2,014                           | 2,109            | 2,172            | 2,230            |
| -receipts  | -201               | -280               | -232               | -178               | -167               | -200                            | -200             | -200             | -204             |
| -net   | 902                | 906                | 1,191              | 1,372              | 1,471              | 1,814                           | 1,909            | 1,972            | 2,026            |
| <b>Total</b>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross   | 13,063             | 14,454             | 15,645             | 17,577             | 19,819             | 21,794                          | 22,651           | 23,524           | 24,333           |
| -charges and receipts  | -533               | -647               | -645               | -654               | -653               | -657                            | -663             | -675             | -688             |
| -net   | 12,530             | 13,807             | 15,000             | 16,923             | 19,166             | 21,137                          | 21,988           | 22,849           | 23,645           |

Continued



**DEPARTMENT OF HEALTH AND OFFICE OF POPULATION CENSUSES AND SURVEYS**

**DEPARTMENTAL REPORT:  
THE GOVERNMENT'S EXPENDITURE PLANS 1993-94 TO 1995-96**

**CM 2212**

**ISBN 0 10 122122 3**

**CORRECTION**

Title page, February 1992 should read February 1993

Page 9, Table 4,

The figure for Total National Health Service, Capital expenditure, gross, 1991-92 should read £1668 m, not £1638 m.

**LONDON: HMSO**  
*February 1992*



# DEPARTMENT OF HEALTH

TABLE 4 cont NATIONAL HEALTH SERVICE, ENGLAND

£MILLION

|   | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>outturn | 1992-93<br>estimated<br>outturn | 1993-94<br>plans | 1994-95<br>plans | 1995-96<br>plans |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|------------------|
| <b>National Health Service family<br/>health services (non-cash limited)(2)</b> |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross  | 4,019              | 4,554              | 4,811              | 5,304              | 6,013              | 6,474                           | 6,810            | 7,208            | 7,593            |
| -charges and receipts   | -423               | -496               | -583               | -614               | -661               | -655                            | -723             | -775             | -823             |
| -net  | 3,596              | 4,058              | 4,228              | 4,690              | 5,352              | 5,818                           | 6,087            | 6,433            | 6,770            |
| <b>Departmental administration</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross  | 160                | 170                | 183                | 223                | 251                | 310                             | 287              | 290              | 302              |
| -receipts   | -5                 | -6                 | -7                 | -10                | -26                | -16                             | -18              | -19              | -19              |
| -net  | 155                | 164                | 176                | 213                | 225                | 293                             | 269              | 271              | 283              |
| Capital expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross  | 7                  | 10                 | 9                  | 21                 | 23                 | 44                              | 32               | 21               | 18               |
| -receipts   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -net  | 7                  | 10                 | 9                  | 21                 | 23                 | 44                              | 32               | 21               | 18               |
| <b>Total</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross  | 167                | 180                | 192                | 244                | 274                | 354                             | 319              | 310              | 320              |
| -receipts   | -5                 | -6                 | -7                 | -10                | -26                | -16                             | -18              | -19              | -19              |
| -net  | 162                | 174                | 185                | 234                | 248                | 337                             | 300              | 292              | 301              |
| <b>Central health and miscellaneous<br/>Services</b>                            |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross  | 384                | 386                | 443                | 475                | 594                | 626                             | 661              | 704              | 746              |
| -receipts   | -21                | -20                | -24                | -27                | -35                | -27                             | -33              | -35              | -36              |
| -net  | 363                | 365                | 419                | 448                | 559                | 599                             | 628              | 669              | 710              |
| Capital expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross  | 19                 | 25                 | 22                 | 32                 | 30                 | 34                              | 30               | 34               | 30               |
| -receipts   | -3                 |                    |                    |                    |                    | -2                              |                  |                  |                  |
| -net  | 17                 | 25                 | 22                 | 32                 | 30                 | 32                              | 30               | 34               | 30               |
| <b>Total</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross  | 404                | 411                | 464                | 506                | 625                | 660                             | 692              | 738              | 777              |
| -receipts   | -24                | -20                | -24                | -27                | -35                | -29                             | -33              | -35              | -36              |
| -net  | 380                | 391                | 440                | 479                | 589                | 631                             | 659              | 703              | 740              |
| <b>General Practice Finance<br/>Corporation</b>                                 |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -receipts   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -net  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Capital expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -receipts   |                    | -21                |                    |                    |                    |                                 |                  |                  |                  |
| -net  |                    | -21                |                    |                    |                    |                                 |                  |                  |                  |
| <b>Total</b>  |                    | -20                |                    |                    |                    |                                 |                  |                  |                  |
| <b>Total National Health Service</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross  | 16,524             | 18,377             | 19,658             | 22,029             | 24,906             | 26,889                          | 28,301           | 29,554           | 30,744           |
| -charges and receipts   | -782               | -889               | -1,027             | -1,128             | -1,208             | -1,155                          | -1,238           | -1,303           | -1,363           |
| -net  | 15,742             | 17,488             | 18,632             | 20,901             | 23,698             | 26,734                          | 27,063           | 28,250           | 29,382           |
| Capital expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross  | 1,129              | 1,221              | 1,454              | 1,603              | 1,638              | 2,303                           | 2,343            | 2,522            | 2,579            |
| -receipts   | -204               | -300               | -232               | -178               | -167               | -203                            | -200             | -200             | -204             |
| -net  | 926                | 921                | 1,221              | 1,425              | 1,302              | 2,101                           | 2,143            | 2,321            | 2,375            |
| <b>Total</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| -gross  | 17,653             | 19,599             | 21,112             | 23,632             | 26,731             | 29,280                          | 30,471           | 31,780           | 33,023           |
| -charges and receipts   | -985               | -1,190             | -1,259             | -1,306             | -1,375             | -1,358                          | -1,438           | -1,504           | -1,567           |
| -net  | 16,668             | 18,409             | 19,853             | 22,326             | 25,356             | 27,922                          | 29,034           | 30,277           | 31,456           |

Continued

TABLE 4 cont NATIONAL HEALTH SERVICE, ENGLAND

£MILLION

Adjustments made to table 3 figures to produce those given above:

(1) HCHS current excludes funding for NHS trust capital expenditure (an estimated £231 million in 1991-92 and £363 million in 1992-93 and provisional figures in 1993-94, 1994-95 and 1995-96).

(2) FHS current includes provision of £133 million in 1991-92 and £299 million in 1992-93 for drugs prescribed by GP fundholders, which is within HCHS current provision in Table 3. Since decisions on the number of GP fundholders in future years have not yet been taken, all FHS drug costs from 1993-94 onwards are included in non cash limited provision in Table 3 and Table 4.

(3) HCHS capital includes provision of £44m in 1991-92 and £23m in 1992-93 for capital spending within GMS cash limited expenditure, which is included in HCHS current provision in Table 3 for those years. The corresponding figure for other years are included in HCHS capital provision in both Table 3 and Table 4.

(4) HCHS capital includes all NHS trust capital expenditure. The net figure for 1991-92 is £208m, funded by internally generated income of £231m (included in HCHS current in Table 3) and £-23m of trust EFIs; the remainder of £1,263m is allocated in the directly managed sector. The net figure for 1992-93 is £575m, funded by internally generated income of £363m (included in HCHS current in Table 3) and £212m of trust EFIs; the remainder of £1,239m is allocated in the directly managed sector. Plans for future years' expenditure are provisional.

3.7

**Table 4** reflects the areas in which funds are actually spent, rather than those to which they are initially allocated. Figures before 1991-92 are as in **Table 3**, but those for 1991-92 onwards have been adjusted so that, for example, the HCHS capital line brings together the three elements of capital spending which are included in separate lines in **Table 3**. Full details of the adjustments made to the **Table 3** figures to produce those used in **Table 4** are given in the notes to the latter. All figures quoted in the remainder of this Report relate to **Table 4**.

### Sources of Finance

3.8

The NHS is financed mainly through general taxation and an element of National Insurance contributions. In 1992-93 it is estimated that 94.7 per cent of the gross cost of the NHS in England will be met from these two sources: 80.8 per cent from the Consolidated Fund (that is, general taxation) and 13.9 per cent from the NHS element of National Insurance contributions. Decisions taken in the annual public spending round relate to the total amount of NHS spending to be financed through public expenditure. Changes in the sums raised by the NHS element of National Insurance contributions (for example, because of an increase in earnings) therefore do not in themselves provide more or fewer resources for the NHS in total: they merely change the balance of funding between the taxpayer and the contributor. The remainder of NHS expenditure comes from charges and other receipts, including land sales and the proceeds of income generation schemes (see **Figure 1**).

**Table 5** shows how sources of finance have changed over time.

FIGURE 1 NHS SOURCES OF FINANCE IN 1992-93 (ESTIMATE)

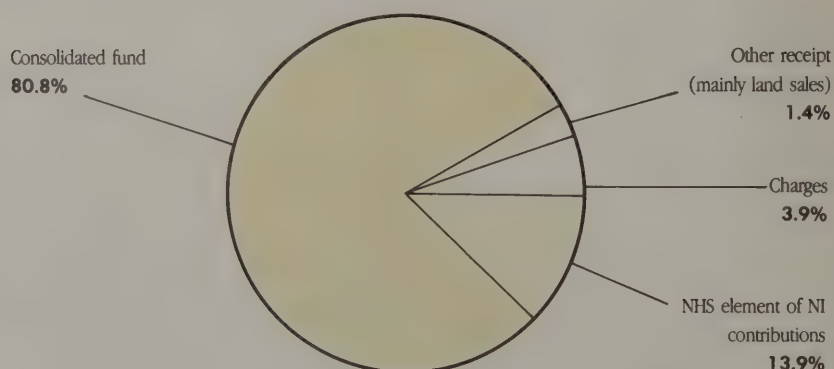




TABLE 5 NHS SOURCES OF FINANCE<sup>(1)</sup>

| Financial year   | Total public expenditure<br>% | of which                |                         | Total from other sources<br>% | of which                    |                                    |
|------------------|-------------------------------|-------------------------|-------------------------|-------------------------------|-----------------------------|------------------------------------|
|                  |                               | Con-solidated fund<br>% | NHS con-tributions<br>% |                               | Charges <sup>(2)</sup><br>% | Miscel-laneous <sup>(3)</sup><br>% |
| 1978-79          | 97.5                          | 87.5                    | 10.0                    | 2.5                           | 2.2                         | 0.3                                |
| 1979-80          | 97.4                          | 87.5                    | 9.9                     | 2.6                           | 2.3                         | 0.3                                |
| 1980-81          | 97.2                          | 88.7                    | 8.5                     | 2.8                           | 2.5                         | 0.3                                |
| 1981-82          | 97.0                          | 87.3                    | 9.7                     | 3.0                           | 2.7                         | 0.3                                |
| 1982-83          | 96.9                          | 85.2                    | 11.7                    | 3.1                           | 2.8                         | 0.3                                |
| 1983-84          | 96.6                          | 85.2                    | 11.4                    | 3.4                           | 3.0                         | 0.4                                |
| 1984-85          | 96.5                          | 85.0                    | 11.5                    | 3.5                           | 3.0                         | 0.5                                |
| 1985-86          | 96.4                          | 84.9                    | 11.5                    | 3.6                           | 2.9                         | 0.7                                |
| 1986-87          | 95.8                          | 83.7                    | 12.1                    | 4.2                           | 3.1                         | 1.1                                |
| 1987-88          | 95.7                          | 82.2                    | 13.5                    | 4.3                           | 2.9                         | 1.4                                |
| 1988-89          | 95.2                          | 80.1                    | 15.1                    | 4.8                           | 3.1                         | 1.7                                |
| 1989-90          | 94.1                          | 77.5                    | 16.6                    | 5.9                           | 4.5                         | 1.4                                |
| 1990-91          | 94.5                          | 78.8                    | 15.7                    | 5.5                           | 4.5                         | 1.0                                |
| 1991-92          | 94.8                          | 80.7                    | 14.1                    | 5.2                           | 4.1                         | 1.1                                |
| 1992-93 estimate | 94.7                          | 80.8                    | 13.9                    | 5.3                           | 3.9                         | 1.4                                |
| 1993-94 estimate | 95.1                          | n/a                     | n/a                     | 4.9                           | n/a                         | n/a                                |
| 1994-95 estimate | 95.0                          | n/a                     | n/a                     | 5.0                           | n/a                         | n/a                                |
| 1995-96 estimate | 95.0                          | n/a                     | n/a                     | 5.0                           | n/a                         | n/a                                |

<sup>(1)</sup> Figures for 1978-79 to 1991-92 are from the appropriation accounts and for 1992-93 are from the Main Estimates. Figures for 1994-95 to 1995-96 are based upon the gross and net data provided in Table 3.

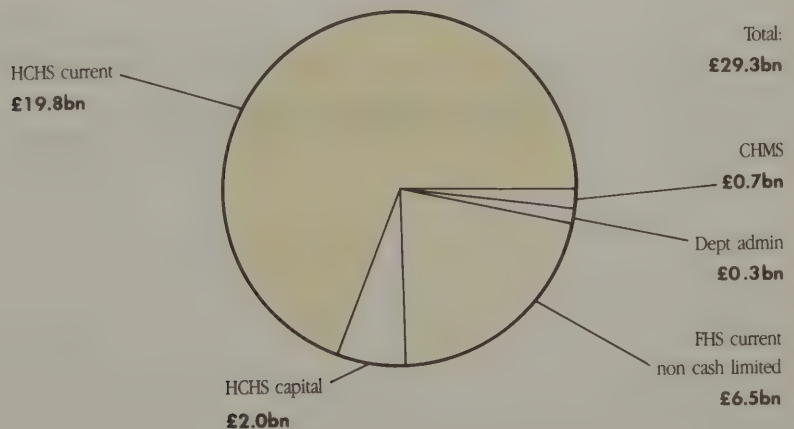
<sup>(2)</sup> The increase in the proportion contributed by charges from 1989-90 is mainly attributable to increased income from private patient charges. This in turn is the result of provisions in the Health and Medicines Act 1988 which allow health authorities to set their own charges for private patients at commercial rates.

<sup>(3)</sup> Mainly capital receipts.

### Recent Expenditure Trends

- 3.9 Net expenditure on the NHS in 1992-93 will be an estimated £27,922 million, an increase of 58 per cent in real terms (measured by the GDP deflator) since 1978-79.
- 3.10 It is estimated that the equivalent gross outturn figure (that is, taking account of all receipts such as land sales and patient charges) for 1992-93 will be £29,280 million, the largest part of which will be spending on the HCCHS: £19,780 million on current and £2,014 million on HCCHS capital. Within the HCCHS total, £636 million current and £23 million capital will be for FHS cash limited spending. The non cash limited Family Health Services account for £6,474 million. The remainder will be spent on the CHMS and departmental administration. (See Figure 2).

FIGURE 2 NHS GROSS EXPENDITURE 1992-93 (ESTIMATE)



3.11

**Table 6** shows how net expenditure on the NHS in 1992-93 and the planned expenditure for 1993-94 compare with the figures published in last year's Departmental Report (Cm 1913). As every year, the Government reviewed its previous plans in the Public Expenditure Survey. The Survey took into account reductions in expected inflation and in particular the measures of public sector pay constraint announced in the Autumn Statement. Details of the changes are shown in the table.

TABLE 6

**COMPARISON OF NET EXPENDITURE PLANS FOR 1992-3 AND 1993-94 WITH THOSE IN LAST YEAR'S DEPARTMENTAL REPORT (CM 1913) TABLE 1**

|                             | CM 1913       | 1992-93<br>Difference | Annex A       | CM 1913       | 1993-94<br>Difference | Annex<br>A    |
|-----------------------------|---------------|-----------------------|---------------|---------------|-----------------------|---------------|
| HCHS current                | 20,090        | -83                   | 20,007        | 21,741        | -969                  | 20,772        |
| HCHS capital                | 1,330         | -114                  | 1,216         | 1,131         | -87                   | 1,044         |
| NHS trusts                  | 125           | 118                   | 243           | 172           | -                     | 172           |
| FHS total                   | 5,465         | 54                    | 5,519         | 5,816         | 271                   | 6,087         |
| CHMS total                  | 537           | 94                    | 631           | 563           | 96                    | 659           |
| Departmental administration |               |                       |               |               |                       |               |
|                             | 306           | 15                    | 321           | 297           | -13                   | 284           |
| <b>NHS total</b>            | <b>27,852</b> | <b>70</b>             | <b>27,922</b> | <b>29,719</b> | <b>-685</b>           | <b>29,034</b> |

The main areas of change (£10 million or over) to the spending plans for the various parts of the programme are below. Figures for all years have been adjusted to reflect the transfer of the Public Health Laboratory Services Board from HCHS to CHMS, which will take effect from April 1993.

**1992-93**

**HCHS current: £-83m**

|        |  |
|--------|--|
| £299m  | Transfer from FHS for GP fundholders' drug expenditure                                       |
| £23m   | Transfer from HCHS Capital for GMS Capital   |
| £-20m  | Transfer to Welsh Office to cover cost of purchasing services for patients resident in Wales |
| £76m   | Addition for the 1992 Review Body pay awards   |
| £-53m  | Transfer to CHMS for Public Health Laboratory Services Board                                 |
| £-407m | Removal of trust debt remuneration from control total  |

**HCHS capital: £-114m**

|       |  |
|-------|--|
| £-23m | Transfer to HCHS current for GMS capital |
| £-83m | Transfer to NHS trusts for EFLs          |

**NHS trusts: £118m**

|      |   |
|------|---|
| £83m | Transfer from HCHS capital  |
| £31m | Increase in gross borrowing offset by equivalent increase in trust investment (non voted) |

**FHS total: £54m**

|        |  |
|--------|--|
| £-299m | Transfer to HCHS for GP fundholders' drug expenditure        |
| £48m   | Addition for the 1992 Review Body pay awards                 |
| £317m  | Addition from the Reserve to meet increased forecast outturn |

**CHMS total: £94m**

|      |  |
|------|--|
| £59m | Transfer from HCHS (current and capital) for the Public Health Laboratory Services Board |
| £21m | Increased provision of free milk to families in receipt of income support                |

**Departmental administration total: £15m**

|      |  |
|------|--|
| £15m | Addition from reserves to cover the costs of rationalising the London Estate, including the acquisition of a new building. |
|------|--|

Continued

TABLE 6 cont. COMPARISON OF NET EXPENDITURE PLANS FOR 1992-3 AND 1993-94 WITH THOSE IN LAST YEAR'S DEPARTMENTAL REPORT (CM 1913) TABLE 1

**1993-94****HCHS current: £-969m**

|        |  |
|--------|--|
| £-59m  | Transfer to CHMS for Public Health Laboratory Services Board |
| £-674m | Removal of trust debt remuneration from New Control Total    |
| £-242m | Change agreed in 1992 Public Expenditure Survey              |

**HCHS capital: £-87m**

|       |   |
|-------|---|
| £-82m | Change agreed in 1992 Public Expenditure Survey |
|-------|---|

**FHS total: £271m**

|       |   |
|-------|---|
| £283m | Change agreed in 1992 Public Expenditure Survey |
|-------|---|

**CHMS total: £96m**

|      |  |
|------|--|
| £60m | Transfer from HCHS (Current and Capital) for the Public Health Laboratory Services Board |
| £40m | Change agreed in 1992 Public Expenditure Survey  |

**Departmental administration total: £-13m**

|       |  |
|-------|--|
| £-13m | Change agreed in 1992 Public Expenditure Survey including the establishment of the Medicines Control Agency (subject to Parliamentary approval) as a Trading fund from 1 April 1993. |
|-------|--|

**Expenditure Plans**

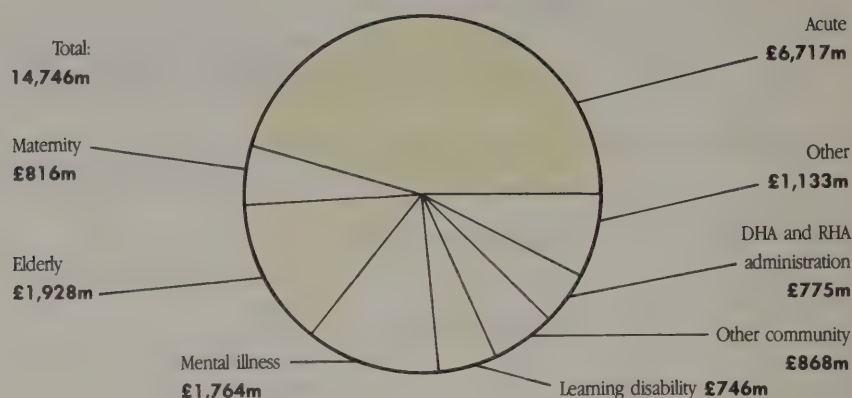
- 3.12 Net public expenditure on the NHS is planned to increase to £29,034 million in 1993-94. This is a cash increase of 4.0 per cent compared with the estimated outturn in 1992-93, equivalent to 1.2 per cent in real terms.
- 3.13 In 1993-94, net current expenditure on the HCHS is forecast to increase by £756 million compared with 1992-93, to £20,079 million. Of this sum, GMS cash limited services are expected to receive £659 million. Gross expenditure on HCHS current as a whole is forecast to rise to £20,542 million.
- 3.14 Net capital expenditure on the HCHS is planned to be £1,909 million in 1993-94 and gross spending to be £2,109 million. Of this sum, £24 million is expected to go to cash limited GMS capital schemes. (See paragraphs 3.26 and 3.27 for NHS trust capital).
- 3.15 Net total spending on the non cash limited FHS is forecast to increase by £269 million to £6,087 million in 1993-94, an increase of 1.8 per cent in real terms compared with the forecast outturn for 1992-93.
- 3.16 Further increases are planned in 1994-95 and 1995-96, which will take NHS gross expenditure to £33,023 million in 1995-96.

**Expenditure Breakdown**

- 3.17 **HCHS Current Expenditure.** Figure 3 shows the breakdown of estimated gross current expenditure by regional, district and relevant special health authorities on the Hospital and Community Health Services by sector in 1990-91, the latest year for which disaggregated data are available.



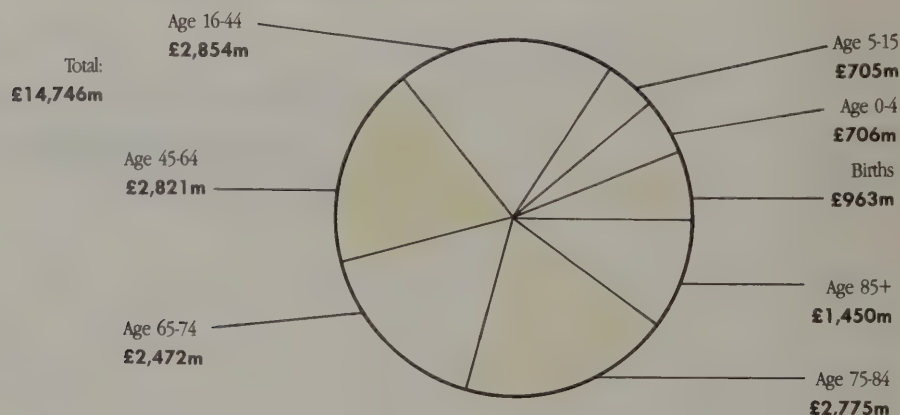
**FIGURE 3 HOSPITAL AND COMMUNITY HEALTH SERVICES GROSS CURRENT EXPENDITURE BY SECTOR 1990-91 (ESTIMATE)**



1. Other community services include health visiting, immunisation, screening, health promotion and community dental services.
2. Other services include ambulances, the blood transfusion service, mass radiography and the Service Increment for Teaching and Research (SIFTR).
3. The figures do not sum to the totals in Tables 1, 3 and 4 because:
  - i) they reflect only expenditure by health authorities and not by other bodies such as the Public Health Laboratory Service or the English National Board.
  - ii) they do not reflect changes in the classification of HCHS expenditure arising from the NHS reforms.

3.18 Acute hospital services accounted for 46 per cent of the total. Mental health services (mental illness and learning disability) accounted for around 17 per cent, about a tenth of which is expenditure on community services. Services specifically or mainly for elderly people – that is, geriatric inpatient and outpatient services, day care, the chiropody service and the district nursing service - accounted for 13 per cent of total expenditure. However, **Figure 4** shows that overall, whilst people aged 65 or over make up only 16 per cent of the population, just under half of total HCHS expenditure is spent on them. This is because around a half of acute expenditure and significant proportions of expenditure on services for mentally ill people and on other community services are for those aged 65 and over.

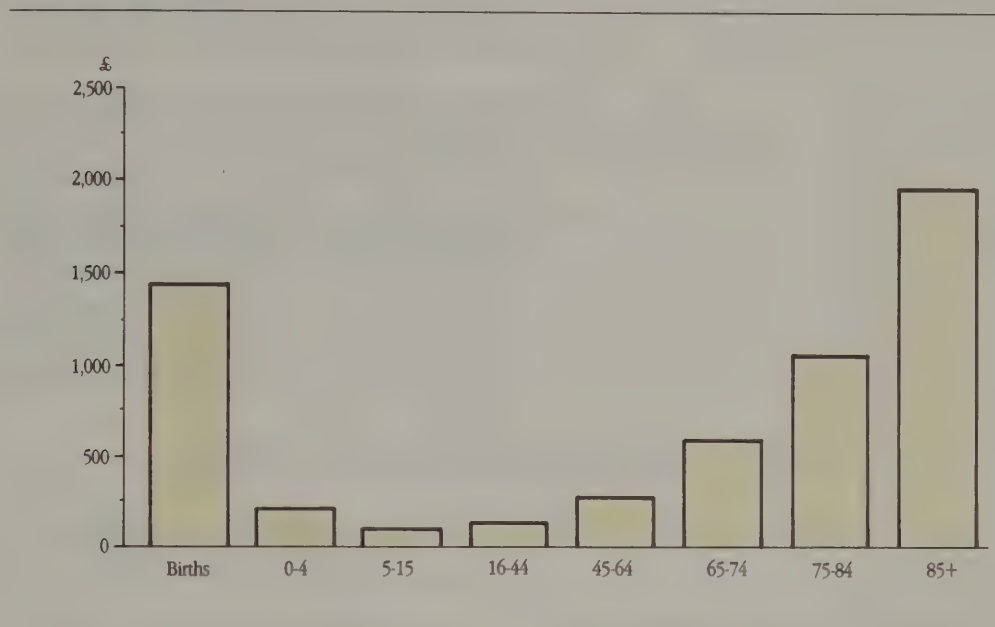
**FIGURE 4 HOSPITAL AND COMMUNITY HEALTH SERVICES GROSS CURRENT EXPENDITURE BY AGE GROUP 1990-91 (ESTIMATE)**



3.19

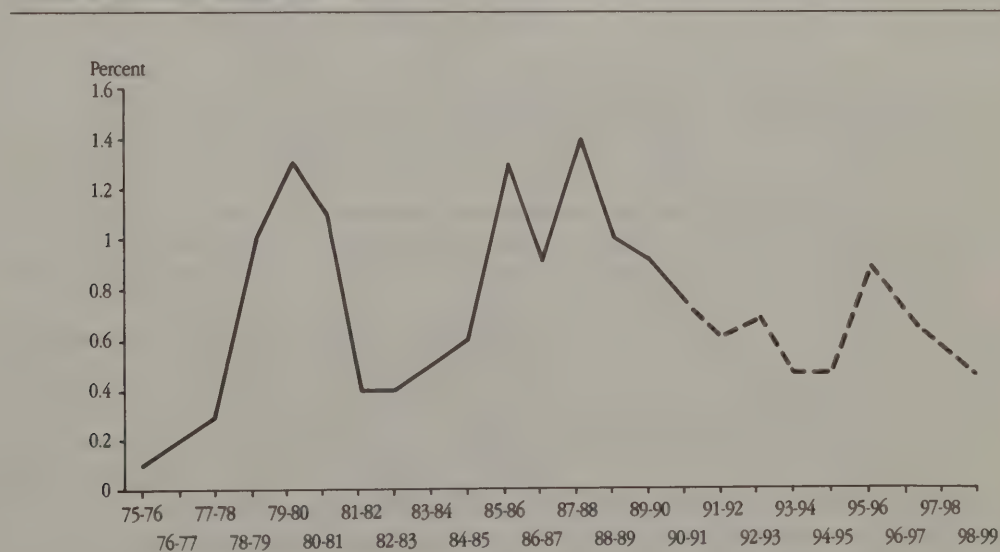
**Figure 5** shows the estimated expenditure on the HCHS for each group, expressed as a cost per head of the population. Expenditure per head rises sharply with age. This reflects not only the higher average cost of treating an elderly person, but also the greater usage of health services by elderly people.

**FIGURE 5 HOSPITAL AND COMMUNITY HEALTH SERVICES GROSS CURRENT EXPENDITURE PER HEAD 1990-91 (ESTIMATE)**



3.20 The growing number of elderly people in the community therefore represents a continuing cost pressure on the HCHS. As **Figure 6** shows, this pressure peaked in the second half of the 1980s; it will be less significant over the next few years, but will rise again midway through this decade.

**FIGURE 6 ESTIMATED GROWTH IN DEMAND FOR HCHS FROM DEMOGRAPHIC CHANGES – INCREASE OVER PREVIOUS YEAR**



3.21

Total expenditure on community health services accounted for £1,991 million in 1990-91, 13.5 per cent of the total. The proportion has been rising steadily in recent years, reflecting the change in patterns of care. (In 1978-79, only 8.4 per cent of HCHS expenditure was on the community health services).

- 3.22 Costs of the administration of specific services are included in the relevant sector costs. The cost of the administration of the district and regional health authorities themselves accounts for £755 million, around 5.1 per cent of total expenditure.
- 3.23 In 1992-93, the main sums allocated to regional health authorities amounted to a cash increase over 1991-92 of 9.5 per cent (4.8 per cent above general inflation). Further funds were allocated for specific purposes, including £181 million for HIV/AIDS services and prevention, £87 million for Project 2000 training for nurses and £24 million towards measures to reduce the hours worked by junior doctors.
- 3.24 Government plans for HCHS current spending in 1993-94 represent an increase above general inflation of 1.1 per cent, or 1.9 per cent after taking account of the Government's measures to constrain public sector pay, within which health authorities' main revenue allocations will increase by an average of 0.8 per cent. **Table 7** shows main revenue allocations to regions in 1992-93 and 1993-94. In addition, further funds will be allocated separately for specified purposes, including £217 million for HIV/AIDS services and prevention, £114 million for Project 2000 training for nurses, £37 million for junior doctors' hours, and funds to allow the Government to implement decisions following the Report of the Inquiry into London's Health Service, Medical Education and Research (see paragraphs 4.66 and 4.67).

TABLE 7

ALLOCATIONS TO REGIONAL HEALTH AUTHORITIES

£MILLION

|                   | 1992-93<br>Allocations for<br>spend on resident<br>populations | 1992-93<br>Adjusted baseline<br>for 1993-94<br>allocations | 1993-94<br>Allocation if based<br>fully on weighted<br>capitation <sup>(2)</sup> | 1993-94<br>Actual allocation for<br>spend on resident<br>population <sup>(3)</sup> |
|-------------------|--|--|--|--|
| <b>Regions</b>    |  |  |  |  |
| Northern          | 1,106.7  | 1,126.5  | 1,166.0  | 1,159.7  |
| Yorkshire         | 1,276.4  | 1,301.3  | 1,338.0  | 1,334.9  |
| Trent             | 1,593.6  | 1,622.8  | 1,683.6  | 1,672.3  |
| East Anglian      | 669.2  | 683.6  | 709.5  | 704.8  |
| North West Thames | 1,260.0  | 1,290.9  | 1,294.5  | 1,320.7  |
| North East Thames | 1,448.2  | 1,456.6  | 1,473.3  | 1,490.2  |
| South East Thames | 1,383.1  | 1,406.8  | 1,434.9  | 1,439.3  |
| South West Thames | 1,078.2  | 1,090.9  | 1,103.4  | 1,116.1  |
| Wessex            | 980.9  | 999.6  | 1,043.2  | 1,033.7  |
| Oxford            | 758.2  | 773.3  | 797.9  | 794.8  |
| South Western     | 1,128.0  | 1,150.2  | 1,193.5  | 1,185.7  |
| West Midlands     | 1,766.6  | 1,802.5  | 1,864.7  | 1,855.1  |
| Mersey            | 856.7  | 868.4  | 891.4  | 890.0  |
| North Western     | 1,439.6  | 1,467.1  | 1,509.3  | 1,505.4  |
| <b>Total</b>      | <b>16,745.4</b>  | <b>17,040.5</b>  | <b>17,503.2</b>  | <b>17,503.2</b>  |

<sup>(1)</sup> Reflects overall recurrent adjustments mainly for 1992 Review Body pay awards and redefinition of capital.

<sup>(2)</sup> The Government will be reviewing the formula for weighted capitation during 1993-94.

<sup>(3)</sup> Allocations reflect Government decision that all regions should receive increases of at least 0.4 per cent above inflation.

- 3.25 **HCHS Capital Expenditure.** Gross capital spending by health authorities reached £1,680 million in 1991-92 - an increase in real terms over 1978-79 of 53 per cent. During this period over 650 major building schemes, each costing over £1 million (at the price level prevailing at the time they were built), were completed. Health authorities' and NHS trusts' capital programmes include some further 385 major building schemes (each costing over £1 million) of which some 150, worth around £1.7 billion, are due for completion over the next three years. The total value of the programme at current prices is £3.8 billion. The numbers of capital schemes completed in each year since 1985-86 or planned for completion in 1992-93 or 1993-94 are shown in **Table 8**. A breakdown of total capital expenditure and related revenue expenditure (for example, on maintenance) is given in **Table 9**. Paragraph 5.45 gives information about capital receipts.



TABLE 8

**HCHS CAPITAL SCHEMES COMPLETED OR PLANNED FOR COMPLETION**

|                              | 1989-90   | 1990-91   | 1991-92   | 1992-93<br>planned <sup>(2)</sup> | 1993-4<br>planned |
|------------------------------|-----------|-----------|-----------|-----------------------------------|-------------------|
| <b>Scheme <sup>(1)</sup></b> |           |           |           |                                   |                   |
| £15m +                       | 1         | 4         | 7         | 12                                | 3                 |
| £5m-£15m                     | 7         | 11        | 25        | 10                                | 11                |
| £2m-£5m                      | 32        | 25        | 36        | 33                                | 24                |
| £1m-£2m                      | 43        | 30        | 26        | 27                                | 24 <sup>(3)</sup> |
| <b>Total</b>                 | <b>83</b> | <b>70</b> | <b>94</b> | <b>82</b>                         | <b>62</b>         |

<sup>(1)</sup> Construction costs only. Fees and equipment are excluded.

<sup>(2)</sup> Some schemes planned for completion in 1992-93 may slip into 1993-94.

<sup>(3)</sup> The number of schemes planned for 1993-94 may increase as plans are firmed up.

TABLE 9

**HCHS CAPITAL EXPENDITURE AND REVENUE EXPENDITURE ASSOCIATE WITH CAPITAL  
(INCLUDING EXPENDITURE FROM RECEIPTS)**

£MILLION

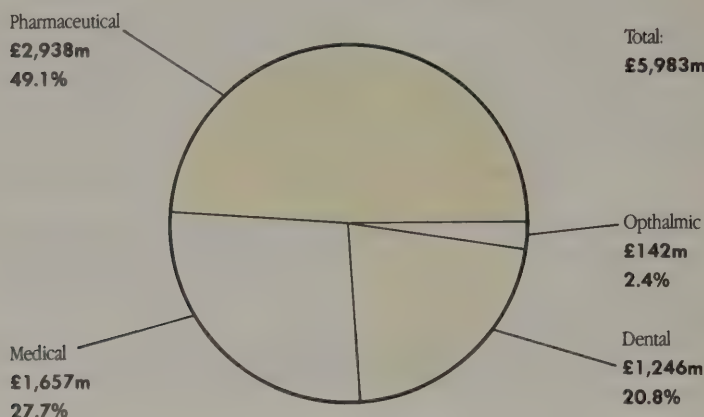
|  | 1986-87      | 1987-88        | 1988-89        | 1989-90        | 1990-91        |
|--|--------------|----------------|----------------|----------------|----------------|
| <b>Capital</b>                                     |              |                |                |                |                |
| Building & engineering works                       | 558.2        | 577.8          | 622.7          | 755.1          | 909.9          |
| Vehicles   | 22.0         | 22.5           | 25.8           | 31.9           | 23.1           |
| Equipment & furniture                              | 122.6        | 145.7          | 155.0          | 156.7          | 190.4          |
| Other  | 236.6        | 260.2          | 287.9          | 348.5          | 362.0          |
| <b>Total capital</b>                               | <b>939.9</b> | <b>1,006.2</b> | <b>1,091.4</b> | <b>1,292.2</b> | <b>1,485.4</b> |
| <b>Revenue expenditure associated with capital</b> |              |                |                |                |                |
| Salaries and wages of works and maintenance staff  | 191.2        | 205.6          | 202.9          | 206.5          |                |
| Maintenance <sup>(1)</sup>                         | 203.6        | 201.5          | 212.6          | 224.9          |                |
| Rates & rent                                       | 190.4        | 194.6          | 207.7          | 224.9          |                |
| Other  | 79.3         | 89.9           | 102.2          | 113.8          |                |
| <b>Total revenue associated with capital</b>       | <b>664.5</b> | <b>691.6</b>   | <b>725.4</b>   | <b>770.1</b>   |                |

<sup>(1)</sup> Engineering & building, equipment, materials and external contracts.

- 3.26 For years after 1990-91, the HCHS capital line in **Tables 1** and **3** does not reflect total HCHS capital spending because of the treatment of trust capital spending, which is not funded through HCHS capital cash limits.
- 3.27 For trusts, what counts in the new control total is their external financing (shown separately in the tables, and scored as capital expenditure). Total spending is larger, as they also receive money through contract income (scored as current expenditure on **Tables 1** and **3**). Contract income includes an element for the target return that trusts must earn on their assets (6 per cent) and a charge for depreciation; together these are known as trusts' capital charge equivalents - CCEs. Out of those CCEs, trusts service their debts, build up reserves, and/or make capital expenditure. Trusts' external financing is broadly the difference between the funds they spend on capital and the CCEs they receive. Where the CCEs exceed capital expenditure, trusts will build up reserves which are invested (as in 1991-92) and external financing will be negative (reducing public spending). Where CCEs are less than capital expenditure, trusts will borrow the additional money required (as in 1992-93), and external financing will be positive (adding to public spending).
- 3.28 **Capital Charges.** Allocations to Regions include the resources necessary to meet capital charges levied by directly managed units and the equivalent component of trust prices (the CCEs). The total volume of capital charges in 1992-93 was £2,209 million which is in addition to the allocations shown in **Table 7**.

FIGURE 7

## NON CASH LIMITED FHS GROSS EXPENDITURE 1991-92



Figures do not sum to totals in table 1 and 3 because of expenditure classification changes not reflected in this analysis (see para 3.3)

**3.29 FHS Expenditure.** Gross expenditure on the non cash limited FHS (including spending by GP fundholders on drugs) amounted to £6.0 billion in 1991-92, some 10.4 per cent of which came from charges to patients. **Figure 7** shows how this gross expenditure is distributed among the constituent services.

**3.30**

Over the period 1978-79 to 1991-92, gross expenditure on the non cash limited Family Health Services (including spending by GP fundholders on drugs) has increased by 52 per cent in real terms. The main changes in spending over this period have been:

**General Medical Services** (non cash limited): an increase of 79 per cent in real terms, mainly due to an increase in doctor numbers;

**Pharmaceutical Services** an increase of 54 per cent in real terms since 1978-79. The proportion of gross costs recovered from prescription charges has risen from 3.5 per cent to 7.4 per cent in the same period. Even allowing for this increased contribution from patients, the Government's net expenditure has risen by nearly 47 per cent in real terms in the thirteen year period. In 1991-92, 415 million prescriptions were dispensed, 27 per cent more than in 1978-79. The drugs bill, the largest component of the Pharmaceutical Services, amounted to £2.3 billion in 1991-92. Its cost, in real terms, has risen in line with the total increase in pharmaceutical services over the period;

**General Dental Services** an increase of 65 per cent in real terms since 1978-79. In the same period, the proportion of gross costs recovered from patient charges has increased from 20 per cent in 1978-79 to 32 per cent in 1991-92. Even allowing for this increased contribution from patients, the Government's net expenditure has increased by 39 per cent in real terms in the thirteen year period;

**General Ophthalmic Services** a decrease of 30 per cent in real terms since 1978-79. This reflects the fact that, from 1 April 1989, free NHS sight tests have been available only to certain groups, namely all children, and adults on low income or with special medical needs.

**3.31**

Cash limited FHS expenditure has been classified as HCHS expenditure since 1 April 1991 (and the figures in **Tables 1** and **3** adjusted accordingly to provide a consistent series).

This expenditure consists of FHSA administration costs and GMS cash limited services. (FHSA administration expenditure is not separately identified in allocations to regions from 1992-93.)

- 3.32 Expenditure on cash limited General Medical Services amounted to £592 million in 1991-92. This expenditure covers reimbursement of a proportion of the cost of practice staff, computerisation in general practice, improvements to practice premises, and expenses connected with the management of practice funds by GP fundholders. **Table 10** summarises the increases in GMS cash limited expenditure over recent years.

|                                | 1988-89 | 1989-90 | 1990-91 | 1991-92 | 1992-93 Allocation |
|--------------------------------|---------|---------|---------|---------|--------------------|
| Staff                          | 194     | 242     | 345     | 418     | 662 <sup>(2)</sup> |
| Premises Improvements          | 38      | 59      | 126     | 126     |                    |
| Computers                      |         |         | 17      | 34      |                    |
| PFMA                           |         |         | 6       | 14      | 27                 |
| <b>Total</b>                   | 232     | 301     | 464     | 592     | 689                |
| <b>Real terms increase (%)</b> | 8.0     | 21.7    | 42.5    | 19.2    | 11.4               |

<sup>(1)</sup> Prior to 1990-91 expenditure was non cash limited.

<sup>(2)</sup> For 1992-93, regional allocations for practice staff, premises improvements and computers were allocated as single amounts.

- 3.33 **CHMS Expenditure.** Figure 8 shows the breakdown of estimated gross expenditure on the Central Health and Miscellaneous Services in 1992-93, the components of which are:

**the welfare food programme**, which provides free liquid milk to some 945,000 children under five and about 39,000 pregnant women;

**mental health services**, of which about 97 per cent is accounted for by the Special Hospitals Service Authority, which provides psychiatric treatment and care in secure conditions for some 1,700 patients;

**voluntary sector** funding to support and promote the Department's policies, priorities and objectives across the entire spectrum of health and personal social services activity;

expenditure on **EC medical costs** for treatment given to UK nationals by other member states: this continues to grow as a result of increases both in the number of people treated and in the treatment costs in member states;

**the Prescription Pricing Authority**, which processes over 400 million prescriptions each year. It calculates the sums due to be paid to pharmacists, dispensing doctors and appliance contractors for items prescribed under the NHS, and provides payment schedules to FHSAs;

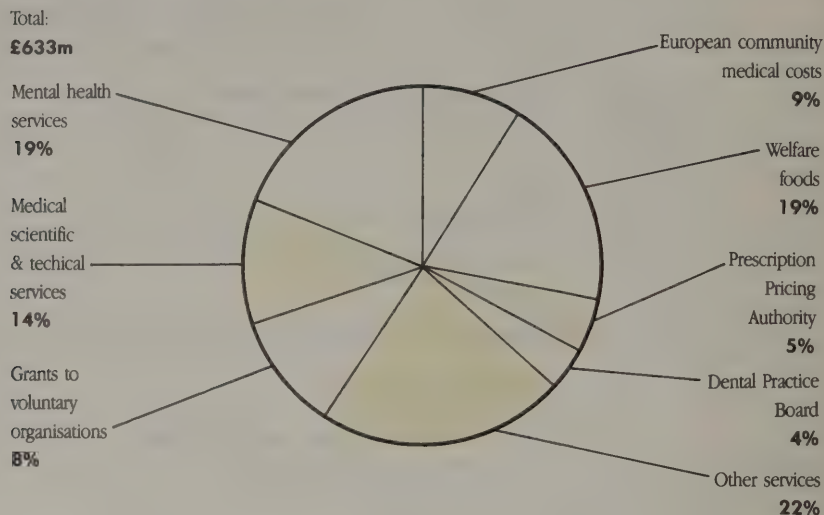
**the Dental Practice Board**, which examines, calculates and makes payment for all patient care and treatment claims received from some 15,500 general dental practitioners (in England). It maintains the registration records of about 26 million patients. The Board also monitors the scale and quality of treatment of General Dental Services, including the prevention of abuse and unnecessary treatment;

**medical, scientific and technical services** (including the Public Health Laboratories Service Board, currently in HCHS), 68 per cent of which expenditure is for the National Radiological Protection Board and the National Biological Standards Board;



and **other services**, including expenditure on information and education services, and research and development, which together account for 65 per cent of this budget.

FIGURE 8 CENTRAL HEALTH AND MISCELLANEOUS SERVICES GROSS EXPENITURE 1992-93 (ESTIMATE)



### The Personal Social Services Programme

3.34 Local authorities provide or arrange Personal Social Services (PSS) - advice, care and support services for the most vulnerable members of the community. These services include help for elderly people and disabled, handicapped or socially disadvantaged adults of all ages, in their own homes and in residential and day care facilities. They also include services for disabled and handicapped children who cannot be cared for by their own parents and many other children who are in need of protection, supervision and help.

### Recent Expenditure Trends

3.35 **Table 1** shows the Department of Health's direct support for the cost of local authority personal social services: namely central government support for PSS capital (grants and credit approvals) and current grants.

3.36 **Table 11** sets out total local authority current and capital expenditure on PSS. Local authority PSS net current expenditure has increased by 67 per cent in real terms between 1978-79 (when it was £1,062 million cash) and the budgeted expenditure for 1992-93 (£4,999 million cash) (see **Figure 9**).

TABLE 11 EXPENDITURE ON LOCAL AUTHORITY PERSONAL SOCIAL SERVICES £MILLION

|                                   | 1978-79<br>outturn | 1986-87<br>outturn | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>outturn | 1992-93<br>estimated<br>outturn |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|
| <b>Current expenditure</b>        |                    |                    |                    |                    |                    |                    |                    |                                 |
| gross                             | 1,263              | 3,067              | 3,398              | 3,741              | 4,196              | 4,686              | 5,151              | 5,557                           |
| charges                           | 202                | 440                | 433                | 444                | 483                | 470                | 517                | 558                             |
| net <sup>(1)</sup>                |                    |                    |                    |                    |                    |                    |                    |                                 |
| cash                              | 1,062              | 2,628              | 2,964              | 3,297              | 3,713              | 4,216              | 4,634              | 4,999                           |
| real terms <sup>(2)</sup>         | 2,991              | 3,814              | 4,080              | 4,229              | 4,468              | 4,699              | 4,831              | 4,999                           |
| PSS pay and prices <sup>(3)</sup> | 3,556              | 3,972              | 4,172              | 4,349              | 4,551              | 4,748              | 4,877              | 4,999                           |

Continued

# DEPARTMENT OF HEALTH

TABLE 11 cont EXPENDITURE ON LOCAL AUTHORITY PERSONAL SOCIAL SERVICES

£MILLION

|  | 1978-79<br>outturn | 1986-87<br>outturn | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>outturn | 1992-93<br>estimated<br>outturn |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|
| <b>Capital expenditure</b>               |                    |                    |                    |                    |                    |                    |                    |                                 |
| gross                                    | 50                 | 117                | 150                | 178                | 224                | 174                | 163                | 186                             |
| income                                   | 3                  | 32                 | 56                 | 68                 | 67                 | 27                 | 25                 | 22                              |
| net                                      | 47                 | 85                 | 94                 | 109                | 157                | 147                | 138                | 164                             |
| <b>Total local authority expenditure</b> |                    |                    |                    |                    |                    |                    |                    |                                 |
| gross                                    | 1,313              | 3,184              | 3,548              | 3,918              | 4,419              | 4,860              | 5,314              | 5,743                           |
| charges/income                           | 205                | 471                | 489                | 512                | 550                | 499                | 542                | 580                             |
| net                                      | 1,108              | 2,713              | 3,059              | 3,406              | 3,870              | 4,363              | 4,772              | 5,163                           |

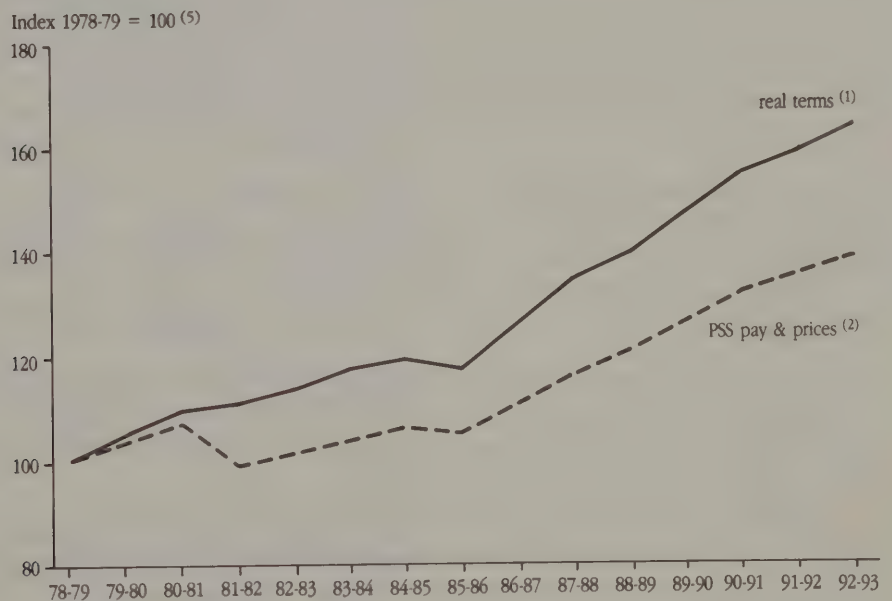
(1) Net current expenditure figures used in Figure 9.

(2) Cash figures revalued to average 1992-93 prices using Gross Domestic Product deflator.

(3) Cash figures revalued to average 1992-93 prices using PSS Pay and Prices deflator.

(4) The above figures are inclusive of grants from central government.

FIGURE 9 GROWTH IN LOCAL AUTHORITY NET CURRENT EXPENDITURE ON PERSONAL SOCIAL SERVICES(2)



(1) Revalued to average 1992-93 prices using Gross Domestic Product deflator

(2) Revalued to average 1992-93 prices using PSS Pay Prices & Price deflator

(3) Inclusive of grants from central government

(4) 1992-93 figures based on authorities' own estimates

(5) Indices derived from figures shown in Table 12

3.37 PSS gross capital expenditure has risen from £50 million in 1978-79 to an estimated £186 million in 1992-93, an increase of 32 per cent in real terms. The 1992-93 estimated figure does not take into account the expected effect on local authorities' spending power of the capital receipts relaxation measure announced in the Autumn Statement (see paragraph 3.40).

3.38 Five personal social services specific grants are available in 1992-93, totalling £83.5 million, an increase of £26.1 million over 1991-92. The grants are for mental illness, social services training, HIV/AIDS, alcohol and drugs misuse, and the guardian ad litem and reporting officer service. Details of the grants are given in the box.

## PERSONAL SOCIAL SERVICES SPECIFIC GRANTS

In 1992-93 the **mental illness specific grant**, payable to local authorities to improve the social care of mentally ill people, including those with dementia, who need specialist psychiatric care in the community, was increased by 50 per cent to £31.4 million, supporting expenditure of £44.5 million. In its first year of operation, 1991-92, the grant was highly successful in that 90 per cent of it was utilised. Supplementary credit approvals totalling £10.5 million were also made available in 1992-93 to finance the capital elements of services funded by the grant.

In 1992-93 the **Training Support Programme (TSP)**, the specific grant supporting training for social services staff, was increased to £29.0 million, supporting expenditure by local authorities of £41.4 million. It is available for the training of all social services staff managing and providing services for children and adults, and is organised into two sub-programmes - adult community care and child care. The TSP aims to improve both the quality of social services provision and the management of the services by increasing the availability of training for relevant staff. Amongst other achievements, the 1991-92 Programme funded the appointment of over 500 additional training officers and support staff, and provided for more than 300,000 attendances on various types of course. Targets for 1992-93 are substantially higher, but the historic backlog of training need, major changes in services, through the implementation of the Children Act and the new arrangements for community care in particular, and the introduction of National Vocational Qualifications, mean that a large training agenda remains. The 1992-93 TSP is also funding a Special Residential Child Care Initiative, through which 132 officers in charge and other senior staff of residential children's homes are being enabled to undertake qualifying training.

Local authority services for people with **HIV/AIDS** are supported with a specific grant of £15.3 million in 1992-93, supporting expenditure of £21.9 million. The grant has assisted the development of innovative forms of support and care services, including voluntary sector provision, in many areas. It has also facilitated the development of work to prevent the spread of HIV infection and has encouraged joint working between local authorities and other statutory bodies and voluntary agencies. Supplementary credit approvals totalling £3 million are available in 1992-93 to finance capital expenditure on AIDS/HIV services.

A specific grant to support local authority funding of voluntary bodies which provide services for **alcohol and drug misusers** was first introduced in 1991-92 and totalled £1.4 million, supporting expenditure of £2 million. The objective of the grant is to help local authorities develop the voluntary sector contribution to improve the adequacy, quality and suitability of the social care elements of services for alcohol and drug misusers. The grant in 1992-93 increased to £2.1 million, supporting expenditure of £3 million.

A new specific grant was introduced in 1992-93 to support the development of the **guardian ad litem and reporting officer service**; it is described more fully in paragraph 4.32. The purpose of the grant is to assist authorities to bring the service up to the standards required by the Act. The grant in 1992-93 is £5.7 million, supporting expenditure of £8.1 million.

## Expenditure Plans

3.39

PSS Standard Spending (the Government's view of the amount of revenue expenditure which it would be appropriate for local authorities to incur to provide a standard level of service) has been set at £5,585 million for 1993-94, an increase of 15.2 per cent, or 12.1 per cent in real terms, over the 1992-93 figure of £4,850 million. The former includes



£565 million for the Special Transitional Grant for community care. This consists of a £399 million transfer from the Department of Social Security; an extra £140 million for new responsibilities, procedures and additional support for carers; and a further £26 million to help severely disabled people following the end of the Independent Living Fund. Further details of this grant are given in paragraphs 5.22 to 5.29. If these additional responsibilities are excluded, PSS Standard Spending will still increase by 3.5 per cent to £5,020 million in 1993-94, or 0.7 per cent in real terms.

- 3.40 In 1993-94 Annual Capital Guidelines amounting to £122.5 million will be distributed to local authorities for personal social services. This will enable local authorities to finance most of their capital expenditure on PSS. As in the past they will be able to supplement the credit approvals with finance generated from the sale of assets and transfers from revenue. From 13 November 1992 to 31 December 1993, local authorities will be able to spend, with a few exceptions, all the capital receipts they will be able to generate during this period. The capital receipts do not have to be spent on the service from which they were generated. Local authorities, therefore, have the flexibility to spend the receipts according to local priorities, including personal social services. It has been estimated that the relaxation of the receipts rules will increase local authorities' spending power by £200 million in 1992-93, £1 billion in 1993-94, £450 million in 1994-95 and £200 million in 1995-96. In addition, there will be £23.7 million of supplementary credit approvals and £4 million in direct capital grants available to finance spending on the Government's priorities for social services. £10.5 million of supplementary credit approvals will be available to finance spending for mentally ill people, £10.2 million to help local authorities develop IT systems for community care, and £3.0 million for services for people with AIDS/HIV. The direct capital grants will be for the provision of secure accommodation for children.
- 3.41 The actual level of capital expenditure is for local authorities to determine. If they were to finance spending from receipts and transfers from revenue broadly following recent trends, total capital spending on PSS would be of the order of £200 million in 1993-94. This figure does not take into account the capital receipts relaxation measure announced in the Autumn Statement.
- 3.42 For 1993-94 specific grants totalling £86.6 million will be available, consisting of £34.4 million for mental illness, £31.8 million for the Training Support Programme, £12.4 million for HIV/AIDS, £2.3 million for alcohol and drugs misuse and £5.7 million for the guardians ad litem and reporting officer service. A Special Transitional Grant for community care, lasting four years, will commence in 1993-94, when it will be £539 million. Details of this grant are given in paragraphs 4.22 to 4.28.

## Expenditure Breakdown

- 3.43 **Figure 10** shows the percentages of social services net current expenditure attributable to the main client groups. Between 1978-79 and 1990-91 there has been a decline in the proportion of PSS expenditure on children, associated with the decline in the numbers of children in care and especially in residential care. In the same period there has been a relative increase in the proportions of PSS expenditure on people with learning disabilities, younger physically disabled people and mentally ill people. The proportion of expenditure on elderly people has decreased slightly. **Figure 11** shows marked real terms changes in net current expenditure. This is most notable for people with learning disabilities, where real expenditure has increased by 112 per cent. The figure highlights the general trend towards nonresidential care, noticeable in all client groups and especially in services for children and mental health services. This is consistent with the Government's policy of encouraging care in the community.



FIGURE 10 LOCAL AUTHORITY NET CURRENT EXPENDITURE ON PERSONAL SOCIAL SERVICES (1)  
BY CLIENT GROUP

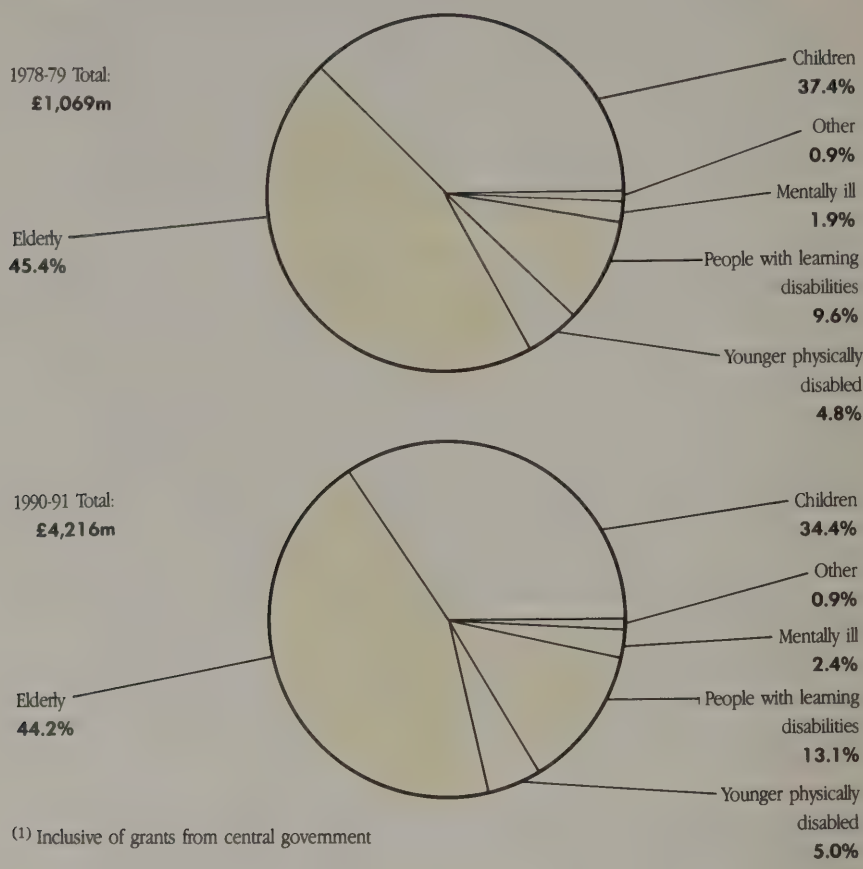
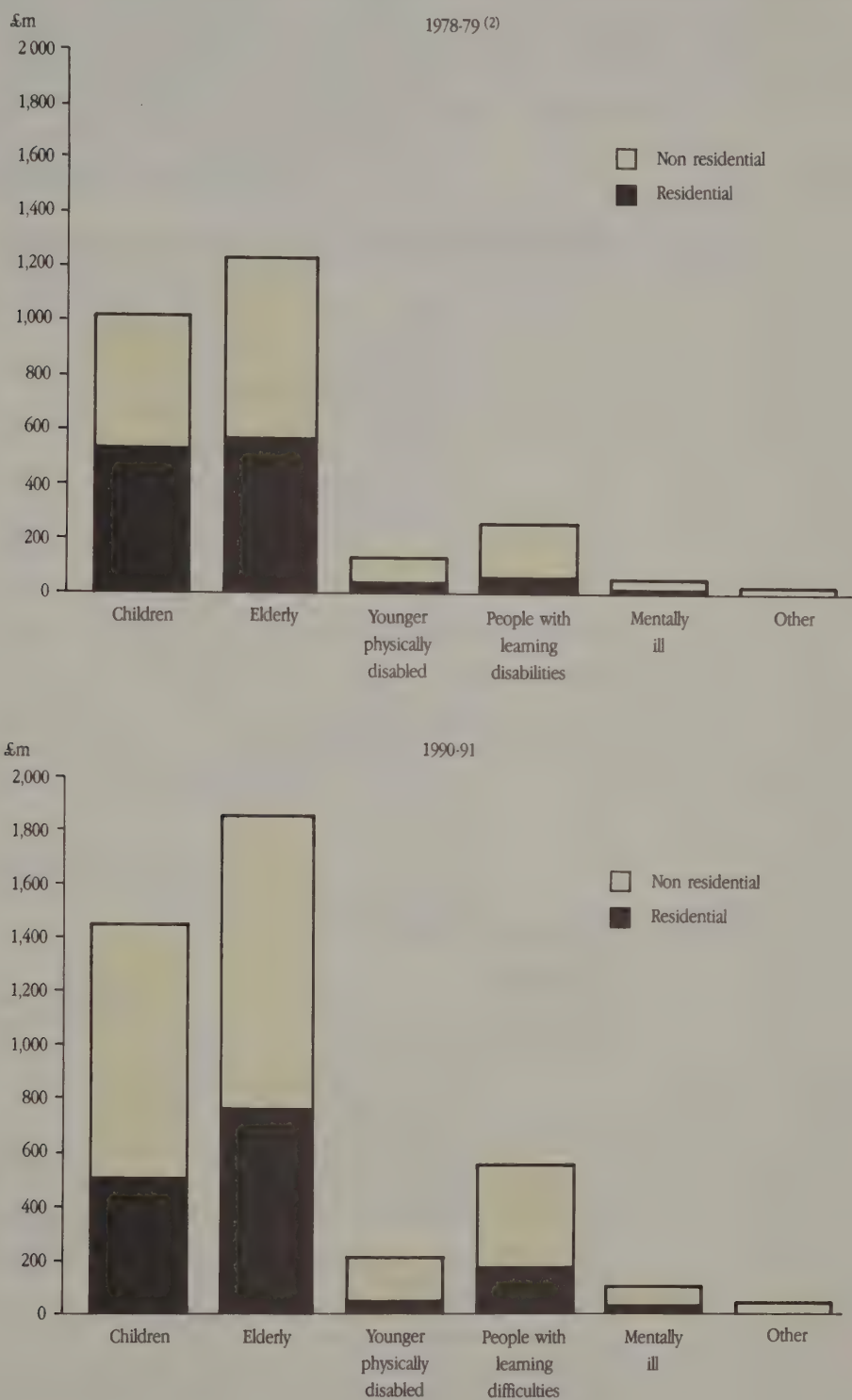


FIGURE 11 LOCAL AUTHORITY NET CURRENT EXPENDITURE OF PERSONAL SOCIAL SERVICES<sup>(1)</sup> BY CLIENT GROUP AND TYPE OF CARE



<sup>(1)</sup> Inclusive of grants from central government

<sup>(2)</sup> Revalued to average 1990-91 prices using GDP deflator

## Community Care Expenditure

3.44

Table 12 shows how expenditure has grown in real terms between 1978-79 and 1989-90 and 1990-91 on services broadly classified as community health services, local authority domiciliary care, and residential care. There has been a substantial increase for each of these, notably one of over 70 per cent in real terms for local authority domiciliary care. In addition, of course, in the same period there has been a very large increase in social security expenditure for people in residential care. Information collected and presented on the same basis for subsequent years will allow the effect of the new arrangements for community care to be monitored.

TABLE 12

EXPENDITURE IN REAL TERMS <sup>(6)</sup> ON CORE SERVICES FOR COMMUNITY CARE<sup>(1)</sup>

£MILLION

|  | 1978-79      | 1989-90      | 1990-91      |
|--|--------------|--------------|--------------|
| <b>Local authority domiciliary care<sup>(2)(3)</sup></b>   |              |              |              |
| Home care  | 349          | 585          | 588          |
| Meals in the home  | 47           | 60           | 60           |
| Disability equipment and adaptations   | 31           | 49           | 51           |
| Day care for elderly people  | 53           | 116          | 122          |
| Day care for younger physically disabled people, people with learning disabilities and mentally ill people | 59           | 92           | 99           |
| Adult training centres   | 113          | 200          | 205          |
| Other domiciliary care   | 63           | 135          | 159          |
| Social work <sup>(4)</sup>   | 151          | 245          | 254          |
| Administration <sup>(5)</sup>  | 198          | 292          | 297          |
| <b>Total local authority domiciliary care</b>  | <b>1,065</b> | <b>1,774</b> | <b>1,836</b> |
| <b>Community health<sup>(7)</sup></b>  |              |              |              |
| General patient care   |              | 578          | 535          |
| Professional advice and support  |              | 32           | 30           |
| Services for mentally ill people   |              | 158          | 146          |
| Services for people with learning disabilities   |              | 58           | 54           |
| Chiropody  |              | 56           | 52           |
| Psychiatric day care   |              | 103          | 95           |
| Other day care   |              | 48           | 44           |
| Health authority contributions to PSS joint finance  |              | 86           | 80           |
| <b>Total Community health</b>  |              | <b>1,119</b> | <b>1,036</b> |
| <b>Total domiciliary</b>   |              | <b>2,893</b> | <b>2,872</b> |
| <b>Local authority residential care<sup>(3)</sup></b>  |              |              |              |
| Elderly people   | 800          | 939          | 920          |
| Younger physically disabled people   | 55           | 64           | 63           |
| People with learning disabilities  | 77           | 174          | 194          |
| Mentally ill people  | 23           | 36           | 38           |
| Administration <sup>(5)</sup>  | 109          | 173          | 186          |
| <b>Total Local authority residential care<sup>(3)</sup></b>  | <b>1,062</b> | <b>1,386</b> | <b>1,401</b> |

<sup>(1)</sup> Total expenditure on community care includes expenditure on some Social Security benefits, details of which may be found in the Social Security Department Report.

<sup>(2)</sup> Domiciliary care expenditure is taken to mean expenditure on services for which social services departments have responsibility, excepting those in staffed residential homes.

<sup>(3)</sup> Local authority PSS figures include their own contributions to jointly financed schemes (£60m in 1989-90); £108m in 1990-91; separate figures not available for earlier years). Health authorities' contributions are shown separately.

<sup>(4)</sup> It has been assumed that 45 per cent of social work expenditure is appropriate to community care. It has also been assumed that all of this is for people in non-residential settings.

<sup>(5)</sup> Where administration is not identified as being attributable to domiciliary/residential care, it has been apportioned. Also included here are occupational therapy, unspecified training and research and development.

<sup>(6)</sup> The real terms figures are derived by revaluing cash figures using the Gross Domestic Product deflator to average 1990-91 prices.

<sup>(7)</sup> Data are not available for 1978-79 in equivalent form to that shown for 1989-90 and 1990-91.

# DEPARTMENT OF HEALTH

## Departmental Administration

3.45

**Table 13** gives information about the running costs of the Department of Health. **Table 14** gives information on manpower. The figures reflect revised assumptions on pay and general inflation in line with the Autumn Statement, savings expected from the implementation of the accommodation strategy for the Department's London offices, and changes arising from the move, subject to Parliamentary approval, of the Medicines Control Agency to a trading fund in 1993.

**TABLE 13 DEPARTMENTAL RUNNING COSTS**

£MILLION

|                                       | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>outturn | 1992-93<br>estimated<br>outturn | 1993-94<br>plans | 1994-95<br>plans | 1995-96<br>plans |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|------------------|
| <b>Department of Health</b>           |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Gross running costs <sup>(1)</sup>    |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Civil Service paybill <sup>(2)</sup>  | 71                 | 74                 | 85                 | 103                | 114                | 131                             |                  |                  |                  |
| Other                                 | 79                 | 87                 | 86                 | 111                | 124                | 161                             |                  |                  |                  |
| Total                                 | 151                | 160                | 171                | 213                | 238                | 293                             | 276              | 279              | 291              |
| Related receipts                      | -4                 | -4                 | -4                 | -7                 | -16                | -10                             | -11              | -11              | -11              |
| Net expenditure                       | 147                | 156                | 168                | 207                | 222                | 283                             | 265              | 268              | 280              |
| <b>Running costs by control area:</b> |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Gross control                         | 145                | 154                | 164                | 204                | 226                | 279                             | 262              | 264              | 278              |
| Net control area                      |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Medicines Control Agency              |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Gross expenditure                     | 6                  | 6                  | 7                  | 9                  | 12                 | 13                              | 14               | 14               | 15               |
| Net expenditure                       | 3                  | 4                  | 5                  | 5                  | -1                 | 6                               | 8                | 8                | 9                |

<sup>(1)</sup> The gross figures are net of any VAT refunds on contracted out services.

<sup>(2)</sup> This covers the pay costs, including employers' earnings related national insurance contributions, of civil servants in running costs (as given in Table 14 on Departmental manpower).

**TABLE 14 DEPARTMENTAL MANPOWER**

WTE

|                                     | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>outturn | 1992-93<br>estimated<br>outturn | 1992-93<br>original<br>plans | 1993-94<br>plans | 1994-95<br>plans | 1995-96<br>plans |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------------------|------------------|------------------|------------------|
| <b>Department of Health</b>         |                    |                    |                    |                    |                    |                                 |                              |                  |                  |                  |
| <b>Gross control area:</b>          |                    |                    |                    |                    |                    |                                 |                              |                  |                  |                  |
| Civil Service full time equivalents | 3,691              | 3,682              | 3,947              | 4,171              | 4,384              | 4,577                           | 4,662                        | 4,569            | 4,569            | 4,569            |
| Overtime                            | 282                | 82                 | 64                 | 82                 | 96                 | 92                              | 92                           | 92               | 92               | 92               |
| Casuals                             | 130                | 107                | 132                | 252                | 206                | 314                             | 208                          | 208              | 208              | 208              |
| <b>Total</b>                        | 4,103              | 3,871              | 4,143              | 4,505              | 4,686              | 4,883                           | 4,962                        | 4,869            | 4,869            | 4,869            |
| <b>Net Running Costs Control</b>    |                    |                    |                    |                    |                    |                                 |                              |                  |                  |                  |
| <b>Medicines Control Agency</b>     |                    |                    |                    |                    |                    |                                 |                              |                  |                  |                  |
| Civil Service full time             |                    |                    |                    |                    |                    |                                 |                              |                  |                  |                  |
| Equivalents                         | 245                | 250                | 266                | 290                | 306                | 321                             | 346                          | 340              | 328              | 328              |
| Overtime                            | 0                  | 0                  | 0                  | 0                  | 0                  | 0                               | 0                            | 0                | 0                | 0                |
| Casuals                             | 0                  | 0                  | 0                  | 0                  | 29                 | 28                              | 4                            | 4                | 4                | 4                |
| <b>Total</b>                        | 245                | 250                | 266                | 290                | 335                | 349                             | 350                          | 344              | 332              | 332              |
| <b>Total</b>                        |                    |                    |                    |                    |                    |                                 |                              |                  |                  |                  |
| Department of Health                | 4,348              | 4,121              | 4,399              | 4,795              | 5,021              | 5,232                           | 5,312                        | 5,218            | 5,201            | 5,201            |

3.46

The Department and two of its three agencies (the NHS Estates Agency and the NHS Pensions Agency), as well as the Youth Treatment Service (YTS), which functions as an executive unit, all operate under gross running cost control. **Annex G** gives more details on the Department's agencies and the YTS.



3.47

**Departmental Spending on Publicity and Advertising.** The Department runs a number of publicity campaigns directly and funds others run by the Health Education Authority. Spending in 1992-93 is planned to be £56 million. The main components of this are given in **Table 15**. The balance of £9.4 million includes other Health Education Authority campaigns (including the cancer campaign) and Departmental core expenditure, which includes some fifty separate campaign budgets, many of which amount to only a few thousand pounds each.

TABLE 15

## DEPARTMENTAL SPENDING ON PUBLICITY AND ADVERTISING 1992-93

£MILLION

**Campaigns run by the Department**

|                                  |     |
|----------------------------------|-----|
| Drugs misuse                     | 5.3 |
| Nurse and Profession Recruitment | 4.8 |
| AIDS Helpline                    | 1.8 |
| Health of the Nation             | 1.5 |
| Community Care Publicity         | 1.0 |
| Overseas Travel                  | 0.9 |
| Help with NHS Treatment Costs    | 0.9 |
| Blood Donor Recruitment          | 0.7 |
| Patient's Charter                | 0.6 |

**Campaigns run by the Health Education Authority**

|   |     |
|---|-----|
| AIDS Publicity                          | 9.7 |
| Anti Smoking Campaigns                  | 3.2 |
| "Look After Your Heart"                 | 3.0 |
| Measles, Mumps and Rubella Immunisation | 1.9 |
| Alcohol Misuse                          | 1.0 |
| Family and Child Health                 | 0.8 |
| Nutrition and Dental Health             | 0.5 |

CHAPTER 4. MAJOR POLICY AND SERVICE DEVELOPMENTS

4.1 William Waldegrave, the then Secretary of State, set his priorities for the Department for 1992-93 in March 1992. As outlined in Chapter 2, these have been:

- to protect, promote and improve the health of the nation;
- to secure high quality health care through the NHS;
- to secure high quality social care through local authorities and other agencies;
- to enable the UK to play an effective part in the work of the European Community and other international health and social services issues.

In addition, there have been a series of developments, building on the Government's reforms to the NHS, aimed at ensuring the structure of the service best supports the delivery of patient care. This Chapter describes the main developments and new initiatives in these five areas of work since the last Departmental Report was published. Overall progress against each of the Secretary of State's Priorities and Key Challenges, including other developments, is summarised at Annex F.

**Improving Health - "The Health of the Nation"**

- 4.2 The White Paper "The Health of the Nation", published in July 1992, sets out a strategy for improving health in England. It followed the 1991 Green Paper, on which there had been extensive public consultation. The White Paper details for the first time a coherent, long-term strategy for preventing premature death and avoidable ill-health, while at the same time actively promoting good health and well-being, with clear targets for achievement by specified dates. The costs of the strategy will be met within existing resources.
- 4.3 While treatment services provided by the NHS continue to be of vital importance for the population, prevention of ill-health - whether through NHS services, voluntary organisations, local statutory services, an alliance of these bodies, or through individuals adopting healthier lifestyles - is now accorded a higher profile from the centre outwards.
- 4.4 The White Paper selects five priority "key areas" for action - Coronary heart disease and stroke, Cancers, HIV/AIDS and sexual health, Mental illness, and Accidents. This initial selection does not diminish the importance of other areas of work. Challenging targets are set (see box) in each key area for reductions in rates of premature mortality, together with ambitious risk factor reduction targets. These are being complemented by targets set locally by the NHS.

**"THE HEALTH OF THE NATION" TARGETS**

**Coronary heart disease and stroke**

- To reduce death rates for both CHD and stroke in people under 65 by at least 40 per cent by the year 2000 (Baseline 1990)
- To reduce the death rate for CHD in people aged 65-74 by at least 30 per cent by the year 2000 (Baseline 1990)
- To reduce the death rate for stroke in people aged 65-74 by at least 40 per cent by the year 2000 (Baseline 1990).

**Diet and Nutrition:**

- (i) to reduce the average percentage of food energy derived by the population from saturated fatty acids by at least 35 per cent by 2005 (to no more than 11 per cent of food energy);

- (ii) to reduce the average percentage of food energy derived from total fat by the population by at least 12 per cent by 2005 (to no more than about 35 per cent of food energy);
- (iii) to reduce the proportion of men and women aged 16 to 64 who are obese by at least 25 and 33 per cent respectively by 2005 (to no more than 6 per cent of men and 8 per cent of women);
- (iv) to reduce the proportion of men drinking more than 21 units of alcohol per week and women drinking more than 14 units per week by 30 per cent by 2005 (to 18 per cent of men and 7 per cent of women);

**Blood Pressure:**

- (i) to reduce mean systolic blood pressure in the adult population by at least 5mm Hg by 2005.

**Cancers**

- To reduce the death rate for breast cancer in the population invited for screening by at least 25 per cent by the year 2000 (Baseline 1990)
- To reduce the incidence of invasive cervical cancer by at least 20 per cent by the year 2000 (Baseline 1986)
- To halt the year-on-year increase in the incidence of skin cancer by 2005
- To reduce the death rate for lung cancer under the age of 75 by at least 30 per cent in men and by at least 15 per cent in women by 2010 (Baseline 1990)

**Smoking**

- (i) to reduce the prevalence of cigarette smoking to no more than 20 per cent by the year 2000 in both men and women (a reduction of a third);
- (ii) to reduce consumption of cigarettes by at least 40 per cent by the year 2000;
- (iii) in addition to the overall reduction in prevalence, at least 33 per cent of women smokers to stop smoking at the start of their pregnancy by the year 2000;
- (iv) to reduce smoking prevalence of 11 to 15 year olds by at least 33 per cent by 1994 (to less than 6 per cent).

**Mental illness**

- To improve significantly the health and social functioning of mentally ill people
- To reduce the overall suicide rate by at least 15 per cent by the year 2000 (Baseline 1990)
- To reduce the suicide rate of severely mentally ill people by at least 33 per cent by the year 2000 (Baseline 1990)

**HIV/AIDS and sexual health**

- To reduce the incidence of gonorrhoea by at least 20 per cent by 1995 (Baseline 1990), as an indicator of HIV/AIDS trends
- To reduce by at least 50 per cent the rate of conceptions amongst the under 16s by the year 2000 (Baseline 1989)

## HIV/AIDS

- (i) to reduce the percentage of injecting drug misusers who report sharing injecting equipment in the previous four weeks from 20 per cent in 1990 to no more than 10 per cent by 1997 and no more than 5 per cent by the year 2000.

## Accidents

- To reduce the death rate for accidents among children aged under 15 by at least 33 per cent by 2005 (Baseline 1990)
- To reduce the death rate for accidents among young people aged 15-24 by at least 25 per cent by 2005 (Baseline 1990)
- To reduce the death rate for accidents among people aged 65 and over by at least 33 per cent by 2005 (Baseline 1990)

- 4.5 National action is under way in these areas. It includes interdepartmental task forces, work with professional and voluntary bodies and training organisations, and dissemination of good practice. Working through NHS led focus groups, the NHS Management Executive has produced guidance setting out, in a readily accessible format, a range of possible actions for each tier of the NHS. This will enable early progress on taking forward the White Paper key areas. Second, handbooks are being published early in 1993 for each key area to guide health authorities in their local implementation of the strategy. The three working groups established with the publication of the Green Paper continue to guide the strategy nationally by examining respectively its implementation in the NHS, its epidemiological aspects, and the wider health issues. A new Cabinet Committee has been convened to oversee the whole process. At local level, the NHS is being encouraged to form "healthy alliances" for joint working with agencies ranging from the voluntary sector through to industry and the media.
- 4.6 The ability to monitor health accurately is essential if the targets are to be meaningful. Progress towards the targets set in "The Health of the Nation" will be monitored regularly and formally reviewed at intervals, with the publication of periodic progress reports. In many cases monitoring has been possible through existing surveys and statistical returns, but in other cases (notably mental illness) new methods are also desirable. Work is in hand to examine deficiencies in our monitoring abilities and how best to remedy these. New methods of monitoring mortality, morbidity and risk factor prevalence to underpin the strategy may become increasingly important, as it is expected to expand over time to include more key areas and targets.
- 4.7 The new national health survey launched in 1991 to help underpin the strategy is extended from January 1993 to cover approximately 17,000 informants. It will continue to have coronary heart disease and its associated risk factors as its primary focus, but its increased size will now allow regional break-downs of data to be made. In the longer term, consideration will be given to developing this survey in line with an assessment of national information needs. The Department is also considering setting up a new NHS Survey Advice Centre to help health authorities to carry out surveys and avoid duplication of effort as well as moving towards greater comparability of data. Other initiatives - such as the Public Health Information Strategy - will also have close links to the health strategy. The strategy's information requirements will influence the direction of these projects.



Improving the Quality of Health Care - The Patient's Charter

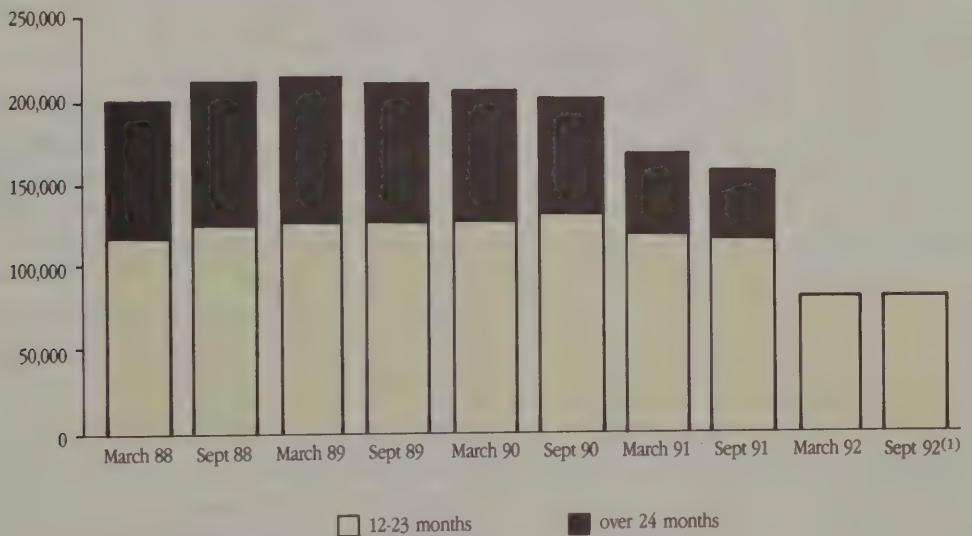
- 4.8           **The Citizen's Charter.** The Citizen's Charter was published in July 1991. It set out a wide ranging programme of initiatives designed to raise standards throughout the public service. The Patient's Charter puts the Citizen's Charter principles of high quality, user responsive services into practice in the NHS. It was issued in October 1991 and took effect on 1 April 1992. The steps being taken to apply the separate Citizen's Charter initiative, "Competing for Quality", in the NHS and to the Department's own business are described in paragraphs 5.40 and 5.57 respectively.
- 4.9           **The Patient's Charter** came into full force on 1 April 1992. It forms a fundamental plank in the Department's strategy for achieving high quality health care throughout the NHS. Its successful implementation and operation is therefore a key priority for the service.
- 4.10           The Charter set out seven established NHS Rights and introduced three new ones - to information about services, to be guaranteed admission for treatment within two years, and to have a full and prompt investigation made of any complaints about NHS services.
- 4.11           As part of its aim of improving the quality of the service offered to each patient, a new system of standard setting was instituted. The Charter sets out nine National Standards and five mandatory areas for health authorities to set Local Standards. These address issues of real interest to patients - and, as well as improving services, they are leading to better use of resources. For instance, the Standard on waiting time in outpatient clinics - a specific appointment for each patient, who should be seen within 30 minutes of that appointment - has encouraged the introduction of more effective appointment systems. Another National Standard - that patients whose operations are twice cancelled on the day they are due to arrive in hospital are admitted within one month - has led hospitals to examine the use made of their operating theatres to ensure that the available staff and space are being deployed to best advantage.
- 4.12           The Charter was published on 30 October 1991. Every household in England received an abridged version, and more than 900,000 requests have been received from the public for the full Charter itself. The short version was made available in nine different languages. Special editions were produced for people with hearing and sight difficulties.
- 4.13           In response to the Charter Right to information, regions have set up health information services. These can provide details of the times people have to wait for treatment for all specialties in local hospitals, as well as information from hospitals further afield. It is now possible to dial the number 0800 665544 from anywhere in England to get information about local health services and health matters.
- 4.14           To assist with implementing the Patient's Charter, a national taskforce of senior NHS managers and professionals was established. The taskforce helped and encouraged their colleagues to put the Charter's principles into practice. They organised seminars and spread information about the ways in which NHS staff were tackling the different Rights and Standards.
- 4.15           The Charter has been welcomed among NHS staff, who have put many local projects into operation to help improve their services. There are initiatives on every aspect of the Patient's Charter - from setting up translation services in 140 languages to encourage access to services, to asking patients how they think services can be improved.
- 4.16           The Citizen's Charter gave a commitment that the improvements it outlined would be taken further. This is already happening with the Patient's Charter. A new initiative is being taken for local family health services from April 1993. Every family health services authority will have its own Charter setting out the new National Standards which it must meet and giving details of the Local Standards which it will have agreed with GPs and primary health care teams serving its area. We are asking GP practices to participate in Charter activity and to consider producing Practice Charters setting out the nature and standards of the services

they offer to their patients. Special action is being taken to shorten the length of time that some patients have to wait for their first outpatient appointments. A summary of the achievements of and plans for the Patient's Charter was given in "The Citizen's Charter: First Report 1992", published in November 1992.

4.17

**Reductions in waiting time.** The drive to reduce NHS waiting times continues and has been given fresh impetus by the introduction of the Patient's Charter guarantees. Final figures confirm that in the year to 31 March 1992, the number of patients who waited over a year fell by 50 per cent while patients who waited more than two years for hospital treatment fell from 51,000 to fewer than 1,700. Regions no longer have any patients waiting more than two years for in-patient or day case treatment. **Figure 12** shows the reduction in the number of inpatients and day cases waiting over a year and over two years since March 1988. **Figure 13** shows that between March 1988 and March 1992 mean waiting time fell by 45 per cent, from over 9 months to 5 months. From April 1993, there will be a new and additional guarantee that no-one should wait more than eighteen months for a hip or knee replacement or a cataract operation. Future waiting time objectives for 1993-94 and beyond will build on these successes achieved under the Patient's Charter.

FIGURE 12 CHANGE IN THE NUMBERS OF PATIENTS WAITING 12-13 MONTHS AND OVER 24 MONTHS

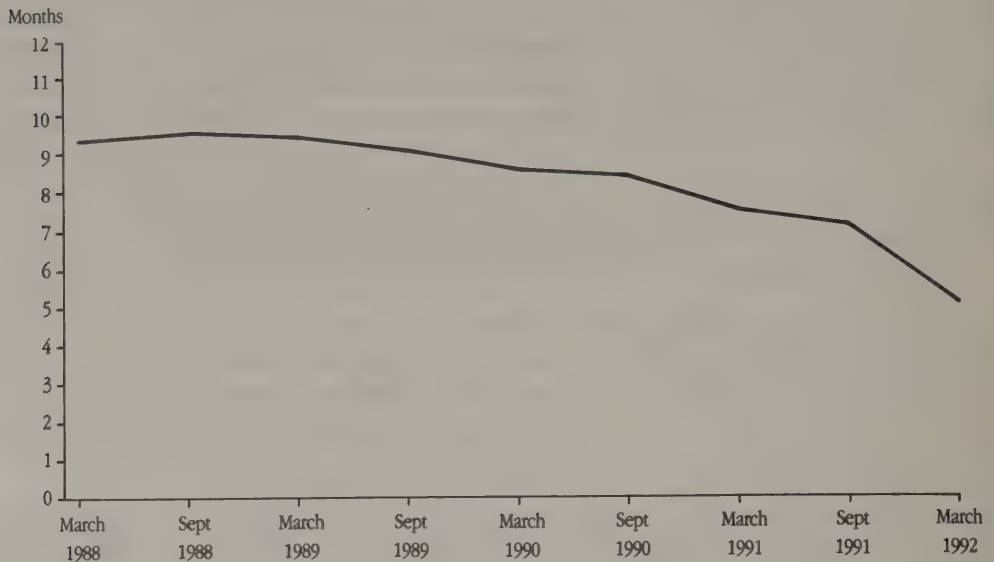


(1)Provisional figures from Regional Health Authorities

4.18

Under the 1992-93 Waiting Time Initiative, the Department established a Waiting Time Fund of £39 million to fund additional treatments from waiting lists. The majority of the Fund is allocated to Regional Health Authorities, who are contributing an additional £34 million from their own resources. In the six years since 1987-88 the Department has provided a total of nearly £200 million.

FIGURE 13 CHANGE IN MEAN WAITING TIME



### Community Care

- 4.19 Government policy on community care is aimed at ensuring that people who are affected by problems of ageing, mental illness, learning disability or physical or sensory disability receive services in their own homes or in homely settings in the community and that their carers receive adequate support. The Department of Health has lead responsibility for community care in England, but other Departments, notably Environment and Social Security, also have significant interests. At local level, social services authorities have lead responsibility, working closely with district health authorities, family health services authorities, housing authorities, providers of care services, voluntary organisations, users of those services and their carers.
- 4.20 The policies set out in the 1989 White Paper "Caring for People", and given a legal framework by the NHS and Community Care Act 1990, are being implemented in phases. By April 1991 authorities were required to have set up arms-length inspection units and new complaints procedures. By April 1992 all social services authorities were required to have drawn up community care plans. All but one did so and many produced plans jointly with their NHS partner authorities.
- 4.21 The final phase of implementation will begin in April 1993. From that date, social services authorities will have new duties to assess people's need for care, and for making appropriate arrangements. They will also take on responsibility for supporting new residents who enter independent residential care and nursing homes where this is the most appropriate means of meeting their assessed needs. Previously, residents of these homes who received public funding were assisted principally by special higher levels of income support. Existing residents at 31 March 1993 will continue to be supported in this way.
- 4.22 To accompany these new responsibilities there will be a formal transfer of resources from the Department of Social Security to local authorities for three years. In 1993-94 the amount of the transfer will be £399 million (see **Table 16**). "Caring for People" stated



that the calculation of the sums to be transferred would take account of four factors:

- the income support that would have been payable under the present scheme;
- the normal income support and housing benefit (now residential allowance) that will be payable to new residents;
- the continuing commitment to those residents with preserved rights to the existing scheme;
- the rate at which local authorities will assume responsibility for the care of new clients. Account will be taken of both natural turnover of cases and the overall growth due to demographic and other factors.

The amount to be transferred has become known as the social security transfer. Because existing residents in residential care accommodation will continue to have preserved rights to higher rates of income support, the transfer of responsibility and resources from the Department of Social Security to local authorities will be a gradual one.

TABLE 16      **TRANSFER TO LOCAL AUTHORITIES IN ENGLAND FOR COMMUNITY CARE**      **£MILLION**

| Year    | Amount of transfer | Annual increase |
|---------|--------------------|-----------------|
| 1993-94 | 399                | 399             |
| 1994-95 | 1,050              | 651             |
| 1995-96 | 1,568              | 518             |

- 4.23 In the long term the Government believes that resources for community care should be distributed through the Revenue Support Grant in the normal way. However, for the initial years of the new arrangements the transfer will be included in a Special Transitional Grant for community care. This grant is to last four years, while authorities increasingly take on their new responsibilities. In 1993-94 it will also cover additional funding (£140 million) for the final phase of implementation. In 1994-95 and 1995-96 the grant will be the annual increase in the transfer. It will be phased out in 1996-97. In each successive year the previous year's grant will be added to the social services revenue baseline so that over time an increasing proportion of transferred resources will be distributed in the normal way through the Revenue Support Grant.
- 4.24 The geographical distribution of current social security spending on residential and nursing home care differs significantly from the distribution of transferred resources that would result from applying the social services Standard Spending Assessment (SSA). In order to provide a managed transition, the Government has therefore decided that half of the transfer element of the grant should be distributed according to the pattern of social security spending, whilst the remainder will be distributed according to a formula based on the relevant elements of the SSA. Over time, therefore, an increasing proportion of resources for community care will be distributed according to the SSA.
- 4.25 As well as ring-fencing resources for community care in the initial years of the policy and providing a convenient means of managing a transitional distribution pattern, the Government is using the Special Transitional Grant to further key policy objectives.
- 4.26 First, eligibility for the grant is dependent on certain necessary agreements being reached between health and social services authorities. The Government will consider similar preconditions in future years in discussion with the NHS and local authorities.
- 4.27 Second, authorities are required to spend at least 85 per cent of the transfer element of their grant on services provided by the independent (private and voluntary) sectors. This will help sustain and build up a flourishing mixed economy of care for both residential and nonresidential services. In turn this should help provide genuine choice for users. The Department has also issued a statutory direction requiring authorities to place people who

need residential care in the accommodation of their own choosing, subject to certain conditions (including one of cost).

- 4.28 The Government has now also announced the extra funding to be allocated as a result of changes brought about by the ending of the Independent Living Fund. These extra resources will form part of the Special Transitional Grant and will enable local authorities to play a full part in meeting the needs of severely disabled people. The Grant will be increased by £26.8 million to £565.4 million in 1993-94, £64.1 million to £715.9 million in 1994-95, and £99.9 million to £617.6 million in 1995-96. The detailed arrangements and distribution of these extra resources are being discussed with the local authority associations.
- 4.29 The Department has conducted regular monitoring of progress made in implementing the new arrangements by both social services and health authorities. It will continue to monitor the implementation of the policy closely with a particular emphasis over time on outcomes for users of services and their carers. The third round of monitoring showed considerable energy and commitment being devoted to the changes and an accelerating rate of progress. It was clear that many authorities had made significant progress in ensuring that arrangements were in place in readiness for April 1993, although differences between authorities and in progress on specific tasks within authorities continued to exist.

## SERVICES FOR INDIVIDUAL CLIENT GROUPS

- 4.30 To support the move towards community care, the Department is continuing its development work on services for each of the individual client groups.

### Services for Children

- 4.31 **The Children Act.** The Children Act 1989, which came into effect on 14 October 1991, recasts the legislative framework for children's services, care and protection into a single coherent structure. It lays new duties on local authorities to safeguard and promote the welfare of children and in so doing complements the principles of the Citizen's Charter.
- 4.32 The Act provides that courts and local authorities consider the child's welfare first in any decision about his or her future. As part of this process children are to be consulted and their wishes and views ascertained. A mechanism for achieving this in the courts in care and related proceedings is the appointment by the court of a guardian ad litem, an independent social worker who represents the child's interests. Under the Act, the role of the guardian is considerably enhanced. As noted in the box following paragraph 3.38, a new specific grant was made available in 1992-93 to assist local authorities to bring the service up to the level required.
- 4.33 The Department produced and published in early 1992 a strategy for monitoring the implementation of the Children Act. As part of this monitoring, the Department sent a survey questionnaire to all local authorities in June 1992, asking about a number of key provisions relating to implementation of the Children Act. The responses to the questionnaires were used to inform the Secretary of State's report to Parliament on the first year of the Act in operation early in 1993.
- 4.34 The Department's Social Services Inspectorate will be undertaking a coordinated programme of inspections in 1993-94. Some of these will examine specific aspects of services provided under the terms of the Act. Areas to be inspected will include management arrangements and quality of services provided in respect of children in need, children with disabilities, guardian ad litem services, private fostering, and residential care.
- 4.35 The Department's existing statistical returns were all revised in line with the changed legislative framework with the aim of providing robust monitoring information about the implementation of the Act and the provision of services. These forms were due for



completion for the period ended 31 March 1992 and are now in the process of validation and analysis. Discussions are being held with local authorities about the possibility of including ethnic origin information in the Department's children's returns, and about the feasibility of a statistical return covering local authority services to children in need and their families.

- 4.36 **Residential care** for children continues to present a number of difficult problems and challenges. Many homes contain some of the most difficult and disturbed children in care today. Although there are far fewer children in care than there were a decade or two ago, they tend to enter care at an older age and in circumstances where they have been too difficult to be coped with in family placements.
- 4.37 The Department has been progressing the recommendations of Sir William Utting's inquiry in consultation with the local authority associations and others through a Joint Implementation Group. The inquiry followed the report of an independent inquiry set up by Staffordshire County Council into revelations that children in one of the authority's homes were being subjected to a regime known as "Pindown". The main recommendations relate to training, service planning, inspection and management. Circulars on inspection and service planning have been issued and guidance on permissible forms of control is being finalised. Also, following the conviction of Frank Beck on 29 November 1991, on several counts of serious sexual offences against children in four Leicestershire County Council children's homes, two inquiries were set up. One is an independent inquiry headed by Andrew Kirkwood QC to look at the authority's actions during the period of Beck's employment. The other inquiry was ordered by the Secretary of State to look into the selection of staff in children's homes and the support and guidance available to them after appointment. The report of the inquiry, chaired by Norman Warner, former Director of Social Services for Kent, was published in December 1992.
- 4.38 Further concerns over standards of care in residential care and children's homes prompted a joint inquiry involving local authority employers' and employees' representatives and chaired by Lady Howe. The inquiry looked into staff conditions, management and training for all residential care staff in adult and children's homes and produced proposals for more sensitive and flexible local pay arrangements. The final report, which was published in June 1992, also recommended that a national forum on residential care should be set up. This is being considered by the Department.
- 4.39 **The UN Convention on the Rights of the Child.** The UN Convention on the Rights of the Child was ratified by the UK in December 1991 and came into force on 15 January 1992. It is a public avowal by all signatory nations that children are especially vulnerable and have a right to expect special consideration. Its underlying ethos is that in every situation the needs and the voice of the child must be heard and respected. In ratifying the Convention, the Government has committed itself to implementing the articles of the Convention in full except for the few instances where specific reservations have been made. The Children Act alone meets the obligations in whole or in part of thirteen of the forty main articles.
- 4.40 The Department of Health is responsible for coordinating action to implement the UN Convention. There are two principal obligations with which the UK is obliged to comply having ratified the Convention. The first is to report to the Committee on the Rights of the Child by 14 January 1994 on the measures adopted by the UK to give effect to the rights recognised in the Convention and on the progress made in the enjoyment of these rights within two years of the Convention's entry into force. The other is to publicise the principles of the Convention to adults and children alike.



## Services for Elderly People

- 4.41 The Department has taken forward work on the health status of elderly people with the publication of two documents from the Central Health Monitoring Unit. The first provides an epidemiological overview covering demographic trends, specific health problems of elderly people and their use of health and social services. The second brings together expert papers examining the policy implications of these findings.
- 4.42 The Department is responsible for the management in the UK of the European Year of Elderly People and Solidarity between Generations 1993. The aims of the Year are to raise awareness of the issues, present positive images of older people and a closer relationship between generations, and facilitate exchange of experience and practice across Europe. The Department has played a leading role in making plans for the Year and as a result the UK is well placed to meet these aims. Following wide consultation with a range of organisations the Department has identified four main themes for the Year in the UK: Combating ageism, Volunteering, Health promotion and active leisure, and Removing barriers to social and environmental integration. An advisory group has been set up to oversee a core programme of events, ranging from conferences to social and cultural activities, which focus on these themes.
- 4.43 The continued development of health services for older people aimed at facilitating and prolonging independent living in the community is reflected in improvements in community nursing services and falling lengths of stay (see **Table 17**). These improvements have been mirrored by the growth of local authority provision in domiciliary services predominantly used by older people, which is also illustrated in **Table 17**. Corresponding increases in expenditure are shown in **Table 12**, with, for instance, expenditure on day care more than doubling in real terms. Total expenditure on health services for elderly people has increased by 41 per cent, and net expenditure on social services by 52 per cent, between 1978-79 and 1990-91 in real terms.

**TABLE 17 HEALTH AND PERSONAL SOCIAL SERVICES FOR ELDERLY PEOPLE**

|  | 1978-79               | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 | % change<br>1978-79 to<br>1990-91 |
|--|-----------------------|---------|---------|---------|---------|---------|-----------------------------------|
| Geriatric hospital inpatients (thousands) <sup>(1)</sup>   | 241                   | 405     | 401     | 412     | 447     | 468     | 94                                |
| Average length of inpatient stay (days) <sup>(1)</sup>     | 79.3                  | 44.8    | 43.7    | 38.6    | 36.1    | 32.7    | 59                                |
| Hospital outpatient attendances (thousands)                | 240                   | 364     | 375     | 381     | 390     | 427     | 78                                |
| Number of district nurses (wte)                            | 17,090 <sup>(2)</sup> | 19,500  | 19,430  | 19,280  | 19,090  | 19,800  | 16 <sup>(2)</sup>                 |
| Local authority residential places <sup>(3)</sup>          | 113,592               | 114,189 | 112,422 | 109,194 | 105,380 | 97,853  | -14                               |
| Voluntary and private residential provision <sup>(*)</sup> | 65,910                | 140,482 | 151,070 | 169,535 | 180,417 | 192,000 | 191                               |
| Places in local authority day centres                      | 18,900                | 21,900  | 23,300  | 24,500  | 27,000  | 25,900  | 37                                |
| Number of home help service staff                          | 46,700                | 56,300  | 56,700  | 56,600  | 60,400  | 59,800  | 28                                |
| Number of main meals served (millions)                     | 41.0                  | 45.4    | 46.4    | 46.2    | 46.3    | 45.9    | 12                                |

<sup>(1)</sup> Based on finished consultant episodes from 1988-89 and discharges prior to 1988-89.

<sup>(2)</sup> Figure relates to 30 September 1981. It is not possible to give figures for earlier years on a comparable basis because of the changes to nurses' standard working week.

<sup>(3)</sup> Combined figure for elderly people and for younger physically disabled people.

## Mental Health Services

- 4.44 Mental health services are at the centre of the Government's strategy for health as one of the five key areas for action under "The Health of the Nation" (see the box following paragraph 4.4). This builds on the care programme approach to community care and other initiatives for improving services for this client group.
- 4.45 The third phase of the Government's initiative for homeless mentally ill people was announced in January 1992. The programme will now cost more than £20 million by 1994-95. With this phase, the programme includes funding for up to 150 short term hostel

places: four hostels are already open providing 43 places, with two more hostels expected to open during the early part of 1993. Move-on accommodation will be provided by the Housing Corporation. Five multidisciplinary community psychiatric teams have been set up based in the three regional health authorities involved in the initiative. These teams are engaged directly with mentally ill people on the streets, encouraging them into the specialist accommodation and offering specialist psychiatric services thereafter. By February 1992 the teams had made contact with over 750 homeless people. A separate team is evaluating the whole initiative, which it is hoped will provide a model for services for homeless people elsewhere in the country.

- 4.46 A joint Department of Health/Home Office review (the Reed Committee) of health and social services for mentally disordered offenders completed its work in July 1992. Eleven consultative reports were issued in 1991 and 1992. A final summary report was published in November 1992. Central capital funding for medium secure psychiatric services has been increased from £3 million in 1991-92 to £18 million in 1992-93. This should enable early achievement of the target of providing one thousand beds nationally set in the mid 1970s. In addition, the Department has funded a number of local multi-agency schemes.
- 4.47 A review of mental health nursing was announced by the Secretary of State in April 1992. The review will be looking at clinical practice, leadership and education and is being led by a multidisciplinary steering group. It is expected to report to Ministers in September 1993.
- 4.48 **Table 18** shows how community mental health services have been built up since 1978. Numbers of community psychiatric nurses have more than trebled, and places in day hospitals risen by three-quarters. There are 25 per cent more places in local residential homes and three-and-a-half times more in independent sector homes. Local authority day centre places specifically for people with mental health problems have increased by 70 per cent. The development of these services has allowed inpatient beds to be reduced by 38 per cent over the same period, to just over 55,000 in 1990-91.

TABLE 18 HEALTH AND PERSONAL SOCIAL SERVICES FOR MENTALLY ILL PEOPLE

|  | 1978-79              | 1986-87 | 1987-88               | 1988-89               | 1989-90               | 1990-91               | % change<br>1978-79 to<br>1990-91 |
|--|----------------------|---------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------------------|
| Available hospital beds (daily average)                                    | 89,000               | 72,400  | 67,130                | 63,000                | 59,290                | 55,239                | -38                               |
| Consultants (mental illness specialities) (wte)                            | 1,174                | 1,470   | 1,494                 | 1,584                 | 1,586                 | 1,670                 | 42                                |
| Day hospital places  | 12,950               | 18,700  | 21,500 <sup>(1)</sup> | 22,400 <sup>(1)</sup> | 22,700 <sup>(1)</sup> | 22,600 <sup>(1)</sup> | 75                                |
| Number of community psychiatric nurses (wte)                               | 1,083 <sup>(2)</sup> | 2,530   | 2,770                 | 3,080                 | 3,380                 | 3,600                 | 232 <sup>(*)</sup>                |
| Local authority residential places   | 3,592                | 4,633   | 4,556                 | 4,697                 | 4,349                 | 4,477                 | 25                                |
| Voluntary and private residential provision                                | 2,015                | 4,535   | 5,189                 | 6,237                 | 7,357                 | 8,370                 | 315                               |
| Local authority day centre places specific to people with a mental illness | 4,622                | 5,839   | 6,113                 | 6,396                 | 6,979                 | 7,841                 | 70                                |

<sup>(1)</sup> Day hospital estimates are estimates for 1987-88 and later, derived from place days.

<sup>(2)</sup> Figure relates to 30 September 1981. It is not possible to give figures for earlier years on a comparable basis because of the change to nurses' standard working week.

### Services for People with Learning Disabilities

- 4.49 The Department has continued its work to assist the development of modern services for people with learning disabilities in the light of the new arrangements for community care. Guidance was issued to local authorities on the provision of social care for adults with learning disabilities and on the development of day services, and to health authorities on health services for people with learning disabilities, in October 1992. The Department is considering what action needs to be taken to facilitate the transfer of staff from NHS to local authority employment. The Department has been taking account of the Report of the UK Chief Nursing Officers' Working Party, chaired by Professor Cullen, and considering ways in which the specialist skills of nurses working in the field of learning disabilities may best be made available to local authorities in the development of new patterns of services.



4.50 In 1991, the Department established a small expert group to examine the necessary elements of a successful service for meeting the needs of people with learning disabilities which are associated with psychiatric or severe behaviour disorders and to develop guidance based on their findings. The group was initially chaired by the late Mr Peter Searle, formerly Director General of the Mental Health Foundation, and latterly by Professor Jim Mansell of the University of Kent. Its report was issued to health authorities and local authorities early in 1993.

4.51 **Table 19** illustrates the major shift from inpatient care in large institutions towards more appropriate community based services for people with learning disabilities, which has been a policy aim for over twenty years. Numbers of hospital beds have declined, whereas local authority and independent sector places have risen significantly, supported by an increase in the numbers of community nurses.

**TABLE 19 HEALTH AND PERSONAL SOCIAL SERVICES FOR PEOPLE WITH LEARNING DISABILITIES**

|  | 1978-79            | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 | % change<br>1990-91 |
|--|--------------------|---------|---------|---------|---------|---------|---------------------|
| Available hospital beds (daily average)  | 50,100             | 39,490  | 33,390  | 30,040  | 26,400  | 22,996  | -54                 |
| Consultants (mental handicap specialty) (wte)                                      | 135                | 148     | 150     | 158     | 167     | 163     | 21                  |
| Numbers of community mental handicap<br>nurses (wte)                               | 230 <sup>(1)</sup> | 1,100   | 1,270   | 1,420   | 1,510   | 1,580   | 587 <sup>(1)</sup>  |
| Local authority residential places   | 11,381             | 16,411  | 16,818  | 16,910  | 16,886  | 16,678  | 47                  |
| Voluntary and private residential provision  | 3,773              | 10,112  | 11,640  | 14,434  | 16,276  | 18,888  | 401                 |
| Local authority day centre places specific<br>to people with learning disabilities | 42,061             | 51,969  | 53,032  | 54,221  | 55,897  | 56,723  | 35                  |

<sup>(1)</sup> Figure relates to 30 September 1981. It is not possible to give figures for earlier years on a comparable basis because of the changes to nurses' standard working week.

### Services for People with a Physical Disability and/or a Sensory Handicap

4.52 Over the past decade there has been increasing emphasis on rehabilitation and on the provision of day, domiciliary and respite support services to enable people with disabilities to live independently in the community wherever possible.

4.53 Disabled school leavers are now benefiting from the provisions of the Disabled Persons (Services, Consultation and Representation) Act 1986, as amended by the Further and Higher Education Act 1992, which are designed to facilitate their transition to adulthood by ensuring they receive appropriate support from the relevant agencies at this critical stage in life. The National Disability Information Project was set up as a three-year initiative in 1991 to look at ways of improving the availability of information to people with disabilities, their carers, and service providers. The Department is funding twelve pilot projects until 1994 to explore ways in which the voluntary and statutory agencies can work together to provide quality information services aimed at satisfying the needs of the users.

### International Cooperation and Health - The European Community

4.54 The UK held the presidency of the Council of Ministers during the second half of 1992. The role of the presidency is to ensure the efficient discharge of the Council's business. However, the presidency does influence the setting of agendas, so this opportunity was used to promote the discussion of topics that the UK felt were of importance to the developing role of the Community in public health.

4.55 One of the UK's major aims during its presidency was to promote discussion of a Framework to form the basis of the Council of Health Ministers' future programme. The Commission, with strong support from the Presidency, tabled a paper at the Health Council which sought to promote a discussion on the need to identify priorities for future action in the field of public health. After the Council meeting, chaired by the Secretary of State, the



Presidency circulated Conclusions on how this initiative should be taken forward by the Commission and the incoming presidency of Denmark. Through the Framework, member states will seek to promote a greater coherence to the Council's activities and, of equal importance, a better understanding of the relative roles of the Community and the member states to ensure maximum added value from Community activities.

- 4.56 As an example of the need for and value of coordinated networks and procedures between member states, the UK launched an initiative on communicable diseases. As a result, the Council approved a Resolution on the monitoring and surveillance of communicable diseases. This invites the Commission seek the views of experts on ways of improving networks between member states in relation to outbreaks of communicable (including food-borne) disease, whilst recognising that each member state is responsible for its own arrangements for monitoring these diseases. In a separate development, a Chief Dental Officers Group was established, which will meet regularly to discuss matters of public health relating to dentistry.
- 4.57 The Presidency also initiated a wide ranging debate in the Council about tobacco consumption. This considered the many factors that can contribute to a reduction in smoking, including the setting of national targets, the importance of comparable information on smoking in different member states, the need to align tobacco prices upwards and the importance of controls on tobacco advertising and promotion. As part of this wider debate, the UK hosted a seminar in November 1992 for delegates from health and finance ministries in other member states. The full proceedings of the seminar are being widely circulated.
- 4.58 In the area of drug misuse, the Health Council affirmed the value of Community action in assisting the spread of best practice in the implementation and evaluation of drug demand reduction activities, and of liaison between the Council and the European Drugs Monitoring Centre once it is established. Each member state also participated in the first ever European Drug Prevention Week, launched at the November Health Council meeting. The UK Presidency took a strong lead in the organisation of this event, which included a two-day pan European media seminar and professionals conference which was supported by the Commission with representation from across the European Communities and from central and eastern Europe. This provided a forum for the exchange of information and practical experience in how to get the prevention message across - particularly to young people. The UK's presidency also coincided with the period leading into the 1993 European Year of Older People and Solidarity between Generations; a number of presidency events focused on themes relevant to the Year (see paragraph 4.44).

## The Structure of the NHS

### THE NHS INTERNAL MARKET

- 4.59 The Department, through the NHS Management Executive, has continued to manage the development of the internal market.
- 4.60 **NHS Trusts.** The second wave of NHS trusts (99 units) became operational on 1 April 1992. Over a third of NHS activity is now provided by trusts. From April 1993 a further 133 trusts (see list at **Annex H**) will become operational, bringing the total to 289. Evidence from the first twelve months of operation shows that NHS trusts are treating more patients, are delivering improvements in quality of care, and are in the vanguard of initiatives such as the Patient's Charter. For example:
- trusts as a whole have achieved an 8.2 per cent increase in acute activity, which was some 1 per cent higher than the increase for the NHS as a whole;
  - only 71 per cent of trusts' budgets is now spent on staffing, compared with 74 per cent in DMUs.

- 4.61 In 1991-92, their first year of operation, the 57 first wave trusts returned an overall surplus of £48 million against the break-even target as a result of their expected interest payments being less than the amount funded. The target external financing limit of £-14.3 million was also exceeded, with the actual outturn for the year being £-23.9 million. Each trust has presented its audited accounts to a public meeting locally.
- 4.62 **The Intermediate Tier.** The radical changes to the organisation and structure of the NHS will have significant implications for the future arrangements for the accountability of purchaser health authorities and provider units. The Secretary of State is currently considering a range of options for reforming intermediate management in the NHS and will make an announcement shortly.
- 4.63 **Purchasing.** Since the reforms the Department's work on purchasing has concentrated on clarifying the purchasing role and developing purchasers' capability. Early efforts, at local level, focused on establishing the contracting process and using contracts to secure improvements in value for money and quality. There is, however, a growing recognition that to secure improvements in health purchasers will need to take a broader approach. This will include health strategies to set a longer term context (three to five years) for yearly purchasing plans; assessment of health needs and of the effectiveness of interventions; participation of local people; alliances with other local agencies, which is vital for the success of "The Health of the Nation" and community care initiatives; collaboration with GPs (including fundholders); and close working with providers. Work to develop this vision of purchasing has included:
- three national conferences, addressed by Ministers, with follow-up reports disseminated throughout the NHS;
  - Priorities and Planning Guidance for 1993-94, which has a strong purchaser orientation and reinforces the need for purchasers to make progress on the areas outlined above;
  - NHSME development initiatives. The NHSME has worked closely with DHAs and RHAs to help develop various aspects of purchasing. Lessons learnt have been disseminated through numerous publications;
  - regional development programmes. After a slow start, purchasing development has moved up regions' management agendas and is a common feature of Corporate Contracts for 1992-93. The Department has assisted regions by allocating nearly £10 million for purchaser development.
- 4.64 There has been a shift of emphasis during 1992-93 from development work (although this is continuing) towards action designed to secure tangible benefits from purchasing. This approach involves:
- Ensuring Effective Purchasing. The NHSME has launched an initiative to ensure that every Region works with all its purchasers to identify key targets for achievement over the next three to five years and to assess what action will need to be taken to help purchasers achieve these targets. The results of this work, reported to the NHSME in January 1993, will inform a national strategic statement and an action programme about purchasing to be issued in early 1993;
  - management action. RHAs are being required to establish a network of "viable" DHAs (whether merged or working together as consortia) over the next year and no later than April 1994;
  - strengthening purchaser capabilities. A programme of work is being developed to help purchasers with organisational and management development.
- 4.65 **GP Fundholding.** Increasing numbers of GPs are playing a direct part in purchasing secondary care services by joining the GP fundholding scheme. The scheme currently

covers the purchase of hospital services (a defined group of elective operative procedures, outpatient services, diagnostic tests and investigations), drugs, and part of the costs of practice staff. From April 1993 fundholders will also be able to purchase community nursing services for their patients, including health visiting, district nursing and community psychiatric and community mental handicap nursing. By 1992-93, there were 546 full fundholders (over 3,000 GPs). In addition, over 600 practices were preparing to enter the third wave of fundholding in 1993-94. This would mean that around a quarter of the population would be cared for by fundholding GPs. Benefits of the fundholding initiative include:

- more services are being provided locally in surgeries for the convenience of patients;
- having a range of purchasers stimulates innovation and critical consideration of service delivery patterns by providers to the benefit of all patients;
- important quality standards for hospitals are being set, for example on waiting times in outpatient clinics and timely despatch of discharge notes: fundholders are in a position to change the hospitals to which they refer if the original hospital does not meet the standards of service they demand;
- patients are now better able to influence the type and standard of health care they receive.

### LONDON

4.66

The report of Sir Bernard Tomlinson's London Inquiry was published on 23 October 1992. The inquiry, covering health care and medical education in the capital, had been set up in October 1991. In announcing the report's publication, the Secretary of State welcomed its broad conclusions: that the current pattern of hospital provision in London was unsustainable; that medical education and research needed to be reorganised; and that primary and community health services needed to have further investment to bring them up to the standards found elsewhere. Ministers announced that they would consider the report's recommendations carefully before making an announcement early in 1993.



## CHAPTER 5. PERFORMANCE AND USE OF RESOURCES

5.1 The previous Chapter of this report referred to a range of initiatives which improve the quality and effectiveness of services, and their efficiency (for example, care in the community, health promotion, reforms to the structure of the NHS). This Chapter discusses the performance of, and use of resources within, each of the Department's programmes as a whole:

- trends in activity levels and overall efficiency in each sector of the Health Service (HCHS, FHS and CHMS);
- the mechanisms by which the Department holds NHS bodies to account for their performance;
- selected regional comparisons of health status, service performance and use of resources;
- the use of staff within the NHS;
- other NHS initiatives for maximising efficiency and value for money;
- efficiency measures within the Personal Social Services; and
- work to ensure value for money within the Department itself.

## The Health Programme

## HOSPITAL AND COMMUNITY HEALTH SERVICES

## Health Service Activity

5.2 Health service activity is expected to rise again in 1992-93, owing to both the additional resources available and further efficiency gains. The current forecast is that total general and acute activity will be 4.6 per cent higher than in 1991-92. **Table 20** gives details of hospital activity levels and length of stay for each of the main sectors. Between 1978-79 and 1991-92, the number of acute inpatient and day cases grew by an average of 2.7 per cent a year. Within this increase there is a continuing shift towards treating patients on a day case basis. The number of day cases has nearly trebled since 1978, to 1.5 million in 1991-92, 20 per cent of all acute episodes.

TABLE 20 HOSPITAL ACTIVITY STATISTICS<sup>(1)</sup>

|  | 1978  | 1986   | 1987-88             | 1988-89             | 1989-90 | 1990-91 | 1991-92<br>(prov) | % change<br>1978 to<br>1991-92 | % change<br>1990-91<br>to<br>1991-92 |
|--|-------|--------|---------------------|---------------------|---------|---------|-------------------|--------------------------------|--------------------------------------|
| <b>Acute<sup>(2)</sup></b>             |       |        |                     |                     |         |         |                   |                                |                                      |
| Inpatient cases                        | 4,204 | 4,903  | 5,075               | 5,023               |         |         |                   | 1.8 <sup>(6)</sup>             | -                                    |
| Average length of stay (days)          | 9.8   | 7.2    | 7.4 <sup>(3)</sup>  | 7.1 <sup>(3)</sup>  |         |         |                   | -3.1 <sup>(8)</sup>            | -                                    |
| Inpatient episodes                     |       |        | 5,660               | 5,715               | 5,792   | 5,794   | 5,947             | 1.8 <sup>(7)</sup>             | 2.6                                  |
| Average length of episode (days)       |       |        | 7.2                 | 6.7                 | 6.3     | 6.1     | -                 | -                              | -                                    |
| Day cases                              | 543   | 1,019  | 860                 | 1,033               | 1,149   | 1,248   | 1,529             | 8.3                            | 22.5                                 |
| New outpatient attendances             | 6,758 | 7,776  | 7,564               | 7,646               | 7,579   | 7,533   | 8,046             | 1.4                            | 6.8                                  |
| New accident and emergency attendances | 9,170 | 10,532 | 10,880              | 10,984              | 11,207  | 11,204  | 11,212            | 1.6                            | 0.1                                  |
| <b>Geriatric<sup>(4)</sup></b>         |       |        |                     |                     |         |         |                   |                                |                                      |
| Inpatient cases                        | 241   | 405    | 401                 | 419                 |         |         |                   | 5.5 <sup>(6)</sup>             | -                                    |
| Average length of stay (days)          | 79.3  | 44.8   | 43.7 <sup>(3)</sup> | 41.1 <sup>(3)</sup> |         |         |                   | -6.2 <sup>(6)</sup>            | -                                    |
| Inpatient episodes                     |       |        | 385                 | 412                 | 447     | 468     | 508               | 6.0 <sup>(7)</sup>             | 8.5                                  |
| Average length of episode (days)       |       |        | 41.4                | 38.6                | 36.1    | 32.7    | -                 | -                              | -                                    |
| New outpatient attendances             | 37    | 59     | 59                  | 58                  | 60      | 72      | 71                | 5.1                            | -1.4                                 |
| <b>Maternity<sup>(5)</sup></b>         |       |        |                     |                     |         |         |                   |                                |                                      |
| Inpatient cases                        | 731   | 862    | 899                 | 899                 |         |         |                   | 1.9 <sup>(6)</sup>             | -                                    |
| Inpatient episodes                     |       |        | 820                 | 951                 | 968     | 990     | 997               | 2.0 <sup>(7)</sup>             | 0.7                                  |
| New outpatient attendances             | 727   | 728    | 693                 | 650                 | 689     | 695     | 687               | -0.4                           | -1.2                                 |

Continued

TABLE 20cont HOSPITAL ACTIVITY STATISTICS<sup>(1)</sup>

|  | 1978   | 1986   | 1987-88               | 1988-89               | 1989-90               | 1990-91               | 1991-92<br>(prov) | % change<br>1978 to<br>1991-92 | % change<br>1990-91<br>to<br>1991-92 |
|--|--------|--------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------|--------------------------------|--------------------------------------|
| <b>Mental illness</b>                                    |        |        |                       |                       |                       |                       |                   |                                |                                      |
| Occupied bed days  | 28,534 | 22,448 | 21,540 <sup>(3)</sup> | 20,990 <sup>(3)</sup> | 20,800 <sup>(3)</sup> | 19,300 <sup>(3)</sup> | -                 | -3.2 <sup>(8)</sup>            | -                                    |
| New outpatient attendances                               | 187    | 202    | 207                   | 192                   | 207                   | 211                   | 222               | 1.3                            | 5.2                                  |
| <b>Learning disability</b>                               |        |        |                       |                       |                       |                       |                   |                                |                                      |
| Occupied bed days  | 17,020 | 12,436 | 11,200 <sup>(3)</sup> | 10,100 <sup>(3)</sup> | 9,100 <sup>(3)</sup>  | 8,600 <sup>(3)</sup>  | -                 | -5.5 <sup>(8)</sup>            | -                                    |
| New outpatient attendances                               | 3.2    | 3.0    | 4.1                   | 3.4                   | 2.8                   | 3.0                   | 4.1               | 1.9                            | 36.7                                 |
| <b>All specialties</b>                                   |        |        |                       |                       |                       |                       |                   |                                |                                      |
| Inpatient cases  | 5,370  | 6,414  | 6,619                 | 6,586                 |                       |                       |                   | 1.9 <sup>(6)</sup>             | -                                    |
| Inpatient episodes                                       |        |        | 7,171                 | 7,335                 | 7,477                 | 7,524                 | 7,726             | 2.2 <sup>(7)</sup>             | 2.7                                  |
| Day cases  | 562    | 1,050  | 881                   | 1,016                 | 1,163                 | 1,261                 | 1,546             | 8.1                            | 22.6                                 |
| New outpatient and accident<br>and emergency attendances | 16,882 | 19,300 | 19,408                | 19,390                | 19,745                | 19,718                | 20,242            | 1.4                            | 2.7                                  |
| Ward attenders   |        |        | 774                   | 853                   | 900                   | 981                   | 1,021             | -                              | 4.1                                  |

(1) From 1987-88, data was collected on a financial year basis and some of the definitions changed. Figures from that date may not be strictly comparable with those for earlier years. In particular, cases now classified as ward attenders may previously have been classified as outpatients or day cases.

(2) Figures for 1987-88 to 1990-91 revised so as to accord with new definition of acute introduced in 1991-92.

(3) Estimated.

(4) Includes younger disabled up to 1986.

(5) Obstetrics and GP maternity.

(6) 1978 to 1988-89.

(7) Constructed from growth in number of cases prior to 1988-89 and number of episodes since 1988-89.

(8) 1978 to 1990-91.

5.3 Changes in the pattern of care for elderly people and people with learning disabilities or mental health problems are reflected in the activity statistics. Average length of stay in the geriatrics specialty has declined by an average of 9 per cent a year since 1978, and numbers of occupied bed days in the mental health and learning disabilities sectors have fallen by 30 and 50 per cent respectively between 1978 and 1990-91. These figures reflect the shift away from long-term hospital care to care in the community.

TABLE 21 COMMUNITY HEALTH AND PARAMEDICAL SERVICES ACTIVITY STATISTICS

| (Thousands)   | 1978  | 1986  | 1987-88 <sup>(1)</sup> | 1988-89 <sup>(2)</sup> | 1989-90 <sup>(5)</sup> | 1990-91 <sup>(4)</sup> |
|---|-------|-------|------------------------|------------------------|------------------------|------------------------|
| Person seen by health visitors                                | 3,597 | 4,129 | 4,093                  | 4,300                  | 4,100                  | 3,800 <sup>(4)</sup>   |
| Persons treated by all community nursing services             |       |       |                        | 3,400                  | 3,400                  | 3,200 <sup>(4)</sup>   |
| Persons treated by district nurses                            | 3,158 | 3,436 | 3,460                  | 2,800                  | 2,800                  | 2,600 <sup>(4)</sup>   |
| Persons treated by community psychiatric nurses               |       |       |                        | 360                    | 340                    | 360 <sup>(4)</sup>     |
| Persons treated by community mental handicap<br>nurses        |       |       |                        | 43                     | 38                     | 39 <sup>(4)</sup>      |
| Persons treated by nurses other than above                    |       |       |                        | 200 <sup>(3)</sup>     | 230                    | 230 <sup>(4)</sup>     |
| Persons treated by chiropody services                         | 1,393 | 1,835 | 1,950                  | 2,000                  | 2,160                  | 2,160                  |
| Persons using clinical psychology service                     |       |       |                        | 180                    | 180                    | 160 <sup>(4)</sup>     |
| Persons using dietetic service                                |       |       |                        | 730                    | 670                    | 700 <sup>(4)</sup>     |
| Persons using occupational therapy service                    |       |       |                        | 770                    | 800                    | 700 <sup>(4)</sup>     |
| Persons using physiotherapy service                           |       |       |                        | 2,900                  | 3,100                  | 3,000 <sup>(4)</sup>   |
| Persons using speech therapy service                          |       |       |                        | 340                    | 350                    | 370                    |
| Courses of treatment commenced by community<br>dental service | 1,528 | 1,553 | 1,509                  | 1,374                  | 1,259                  | -(6)                   |

(1) From 1987, collection of data changed from years ended 31 December to years ended 31 March.

(2) Because of changes in definitions between 1987-88 and 1988-89, data for the two years are not directly comparable. In particular, some community psychiatric and mental handicap nurse activity was probably recorded as district nurse activity prior to 1988-89.

(3) Broad estimate based on returns from 64 per cent of districts.

(4) Provisional

(5) Estimated national totals based on those districts supplying data.

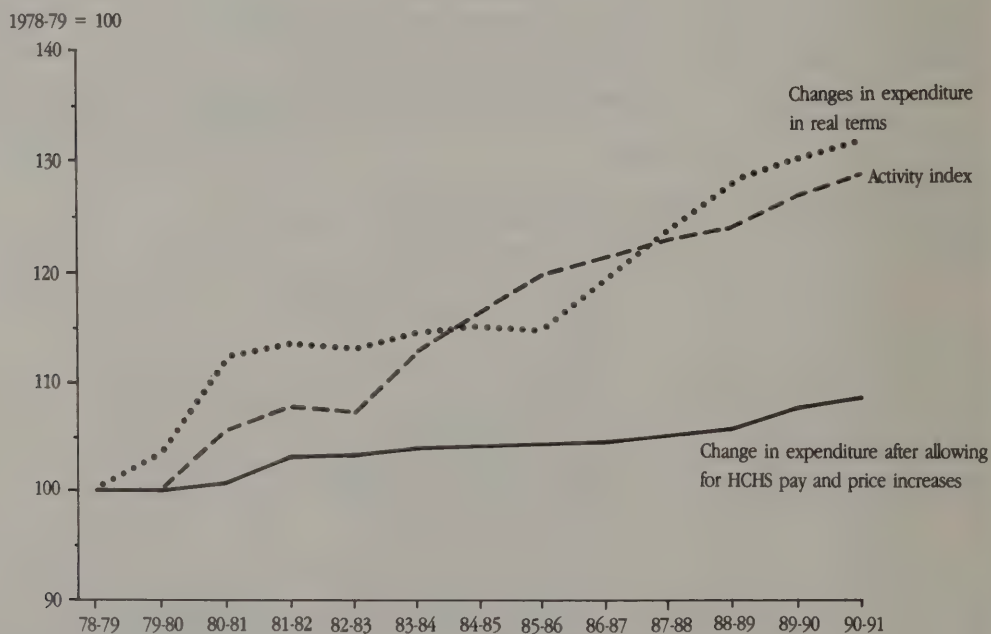
(6) Not collected on comparable basis.

- 5.4 Statistics on activity in the community health and paramedical services are reported in **Table 21**. The picture is complicated by changes in definitions and in the way statistics were collected between 1987-88 and 1988-89, which are detailed in the notes to the table. However, despite these qualifications, the figures demonstrate a general expansion in community health services between 1978-79 and 1990-91.

### Overall Efficiency

- 5.5 A broad measure of the overall increase in the efficiency of the HCHS can be obtained by comparing increases in activity levels with increases in expenditure. Increases in activity are monitored against increases in expenditure on purchasing patient services. Gains arise both from cash releasing efficiency savings (CRES) and through treating additional patients using the same resources.
- 5.6 The overall increase in activity since 1978-79 can be measured by weighting together the activity increases in various areas of HCHS by the proportion of expenditure they receive. The variation in this measure, the cost weighted activity index (CWA), over recent years is shown in **Figure 14**. Activities measured include inpatient and day case episodes, outpatient attendances and accident and emergency services. Community Health Services covered include immunisation, district nursing, and ambulance services. The CWA cannot monitor the full range of health service activities and there is some anecdotal evidence that improvements to and increases in the complexity of community health services are not fully reflected. Figure 14 shows that overall activity levels have increased by nearly 29 per cent between 1978-79 and 1990-91 (2.2 per cent per year on average). This is much more than the increase in HCHS expenditure after allowing for changes in HCHS input costs, which over the same period increased by 9 per cent. The implication is that efficiency has grown by almost 20 per cent over the period.

FIGURE 14 HCHS COST WEIGHTED ACTIVITY INDEX



- 5.7 Because the CWA requires data from a number of sources, the index is not available for some time, until after detailed data for the financial year in question have been analysed.



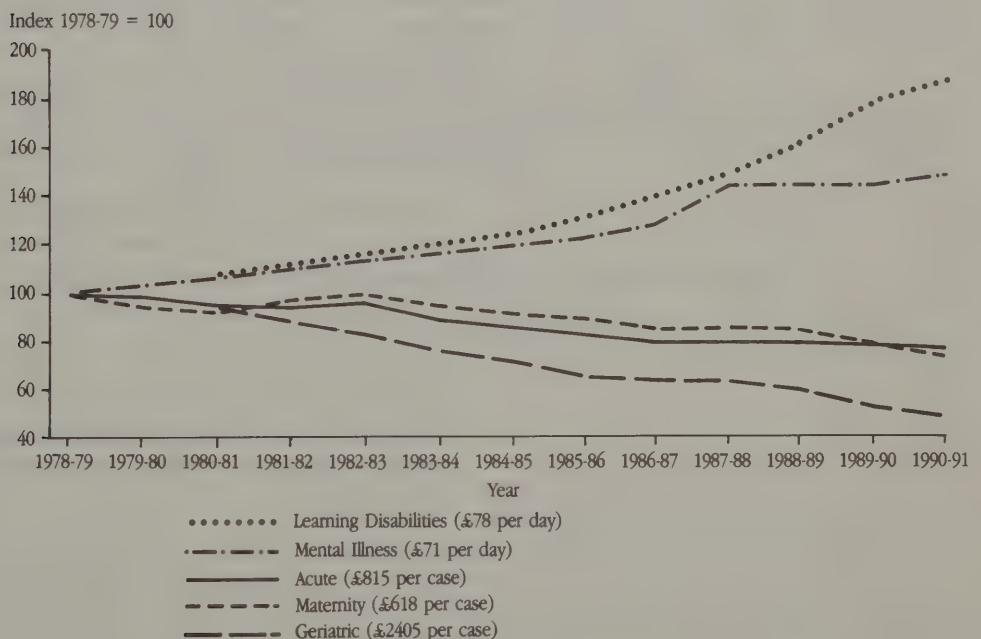
Estimates produced on a slightly different basis for 1992-93 indicate that activity is expected to rise by up to 2 per cent more than the increase in expenditure compared with 1991-92, that is, an efficiency gain of around 2 per cent.

- 5.8 The HCHS' performance compares well with that of the economy as a whole. There is a commonly held view that costs in the Health Service rise far more quickly than prices in general. This would imply that more money needs to be injected into the Health Service than would be necessary elsewhere to achieve an equivalent increase in output. This is a misunderstanding arising from not comparing like with like - that is, from comparing movements in input costs (pay and price rises) in the Health Service with movements in output costs in the economy as a whole, as measured by the GDP deflator. This is misleading since output costs reflect not just input costs but also the efficiency with which inputs are used. In other words, whenever there is an increase in efficiency, output costs will rise more slowly than input costs. This has been the case in the Health Service and also in the rest of the economy.
- 5.9 The GDP deflator measures changes in output costs. It follows that, if output unit costs in the Health Service are moving in line with those in the economy as a whole, increases in HCHS activity will match real terms increases in expenditure, that is, in HCHS expenditure deflated by the GDP deflator. That is broadly what has happened, as **Figure 14** shows.

## Hospital Unit Costs

- 5.10 **Figure 15** shows how treatment costs in the hospital sector have changed since 1978-79 after allowing for movements in HCHS pay and prices. Unit costs of acute, geriatric and maternity cases have fallen over the period, largely because of declining lengths of stay.

**FIGURE 15 AVERAGE COST PER INPATIENT DAY OR CASE BY HOSPITAL TYPE 1978-79 TO 1986-87, BY SPECIALTY 1978-88 TO 1990-91**



- 5.11 The average cost of treating acute inpatient and day case patients has declined by 31 per cent since 1978-79. The number of patients treated on a day case basis has more than doubled since 1978-79. Average length of stay for an inpatient has declined from an average 9.8 days to an estimated 6.5 days in 1990-91. The cost of each geriatric inpatient case has declined by over 50 per cent, as average length of stay fell from 79 to an estimated 35 days. The cost per case for maternity cases has fallen by 25 per cent since 1978-79.
- 5.12 In the mental health sector, costs per day have been increasing. The reduction in the number of patients in long-stay institutions does not immediately result in proportionate savings in expenditure, as wards and hospitals can be closed only once all residents have been transferred or discharged. Also, the average dependency level of the patients remaining in hospital is, inevitably, higher than that of those discharged, and average unit costs tend to be higher as a result.

## FAMILY HEALTH SERVICES

- 5.13 The family health services remain the first point of contact most people have with the NHS every year there are about 200 million consultations with family doctors and about 30 million visits to the dentist. Many of those who visit their family doctor or dentist need no clinical treatment but healthy lifestyle counselling and preventive health care advice. The Government's longstanding policy has been to build up and extend these services, in order to improve health, and relieve pressure on the far more costly secondary care sector. The main service statistics are shown in **Tables 22 to 26**. For these services, the bulk of the cost is made up of the pay and expenses of independent contractors (in the case of pharmacists and opticians there is no disaggregation of pay and expenses), with staff pay again playing a large part in contractors' expenses. Although the remuneration systems are designed to encourage efficiency, generally by seeking to encourage contractors to keep their expenses below average, costs per contractor have risen in real terms over time. This is not unexpected: Government policy has been to develop primary care, for which GPs have taken on additional staff, and, as elsewhere in the economy, pay has risen in real terms. Work is in hand to construct more meaningful ways of measuring value for money. In the meantime, the main features of each service are discussed in paragraphs 5.14 to 5.25.
- 5.14 **General Medical Services.** The new GP contract, introduced in April 1990, gave further encouragement to GPs to develop preventive care and to provide services sensitive to patients' needs. Particular developments by the end of 1991-92 are that:
- almost 90 per cent of GPs are receiving target payments for childhood immunisations and cervical screening with almost 75 per cent achieving the higher target payments. No child died of acute measles in 1990 or 1991 and no child died of whooping cough in 1991;
  - a new immunisation against one of the widespread causes of childhood meningitis, *Haemophilus Influenzae B* (Hib), has been added to the childhood schedule. More than five million doses will be made available during the first year of the campaign, sufficient to immunise every child under four years of age with the appropriate number of doses;
  - over 89 per cent of GPs are now approved to provide Child Health Surveillance, and about 1½ million children are now registered with a GP for this service;
  - 75 per cent of GPs are approved to provide minor surgery services at their practice premises;
  - a snap-shot survey found that almost four out of five elderly patients offered an annual check-up took advantage of this. Nine out of ten who had a check-up found it useful;

# DEPARTMENT OF HEALTH

- over 90 per cent of GPs are receiving post graduate education allowance;
- primary health care teams have continued to develop, centred around practices and involving GPs, directly employed staff, allocated community health staff, social services, and others.

5.15 Since 1 April 1990, certain directly reimbursed expenses - covering GP practice staff, premises improvements, computers, and the management allowances for fundholders and preparatory fundholders - have been cash limited. This has enabled FHSAs to target money more effectively and so improve patient services. Particular developments have been:

- a widening of the range of practice staff that GPs employ;
- a rise in the number of practice nurses of 89 per cent (whole time equivalent) since 1989;
- a rise in the number of computerised practices from 4,863 (50 per cent of the total) in April 1990 to 7,100 (73 per cent) in April 1992. It is expected that 80 per cent of practices will be computerised by March 1993.

The sustained increase in the sums invested has enabled GPs to extend and improve existing premises and to build new surgeries. The additional resources provided for practice staff, accompanied by the lifting of restrictions on the numbers of type of staff for whom reimbursements can be made, have allowed GPs to develop their practice teams, in both size and range of professional skills. This investment has enabled GPs to develop patient services (minor surgery, health promotion, child health surveillance, screening etc) in support of the new contract within a framework of premises better suited to modern general practice and with the support of skilled staff.

5.16 Although changes introduced in 1990 have been very successful in stimulating developments in the GMS, there are indications that some of the new activity is less well focused than it could be on health gain. The Government and the profession have now agreed changes in the health promotion arrangements in the GP contract to replace health promotion clinics with structured health promotion programmes from 1 July 1993. This will give a better focus to health promotion work and create a framework within which GPs can play their part in achieving the targets in "The Health of the Nation".

5.17 An important development for the Family Health Services has been the family doctor's role as purchaser of NHS services. Further details of the GP fundholding scheme are given in paragraph 4.65.

TABLE 22 FAMILY HEALTH SERVICES – KEY STATISTICS ON GENERAL MEDICAL SERVICES<sup>(1)</sup>

|  | 1978-79 | 1985-86 | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92 | % change<br>1978-79 to 1990-91 to<br>1991-92 | % change<br>1991-92 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|--|---------------------|
| <b>General Medical Services <sup>(1)</sup></b>       |         |         |         |         |         |         |         |         |  |                     |
| Gross current expenditure on                         |         |         |         |         |         |         |         |         |  |                     |
| General Medical Services per general                 |         |         |         |         |         |         |         |         |  |                     |
| medical practitioner (£ cash)                        | 18,059  | 44,085  | 46,085  | 49,985  | 55,230  | 61,444  | 76,045  | 87,565  | 71.3   | 15.2                |
| Real terms 1992/93 prices (£)                        | 51,115  | 66,383  | 67,179  | 69,107  | 71,209  | 74,333  | 85,033  | 91,509  | 79.0   | 7.6                 |
| Cash limited expenditure per GP                      |         |         |         |         |         |         |         |         |  |                     |
| included in gross expenditure above (£)              | 0       | 0       | 7,025   | 8,017   | 9,032   | 11,534  | 18,114  | 23,056  | 0.0  | 27.3                |
| Real terms 1992/93 prices (£)                        | 0       | 0       | 9,712   | 10,337  | 10,927  | 12,897  | 18,930  | 24,094  | 0.0  | 27.3                |
| Total number of consultations (millions)             | 176.6   | 184.0   | 197.8   | 220.7   | 190.3   | 192.5   | 220.5   | 216.3   | 22.5   | -1.9                |
| Total number of consultations per GP                 | 8,934   | 7,656   | 8,087   | 8,856   | 7,515   | 7,517   | 8,606   | 8,421   | 0.3  | -2.2                |
| Real terms cost per consultation<br>(1992-93 prices) | 5.84    | 8.31    | 7.96    | 7.48    | 9.08    | 9.42    | 9.46    | 10.87   | 86.1   | 14.9                |

Continued



TABLE 22 cont FAMILY HEALTH SERVICES: KEY STATISTICS ON GENERAL MEDICAL SERVICES

|   | 1978-79 | 1985-86 | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92 | % change<br>1978-79 to 1990-91 to<br>1991-92 | % change<br>1991-92 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|--|---------------------|
| Average list size at 1 October each year  | 2,312   | 2,068   | 2,042   | 2,020   | 1,999   | 1,971   | 1,942   | 1,947   | -15.8  | 0.3                 |
| Gross current expenditure on general<br>medical services per patient on list after<br>adjustment for estimated list inflation<br>(& cash) | 8.26    | 22.70   | 24.12   | 26.55   | 29.74   | 33.27   | 41.15   | 47.36   | 473.4  | 15.1                |
| Cash limited expenditure per patient on<br>list included in gross expenditure per patient<br>(& cash)                                     |         |         |         |         |         | -       | 9.36    | 12.47   | -  | 33.2                |

<sup>(1)</sup> General medical services are the personal medical services provided by general medical practitioners

- 5.18 **Pharmaceutical Services.** In 1992-93 the drugs bill is forecast to increase by around 7 per cent in real terms compared with an increase of 4.2 per cent in real terms in 1991-92, around the average real terms increase since 1978-79, and with a real terms reduction in 1990-91. Growth in the number of prescriptions continues to be high, with 1991-92 showing a 4.7 per cent increase over the previous year, bringing the increase since 1978-79 to 27.4 per cent, and a similar increase is forecast for 1992-93. The reasons for this continuing increase, which exceeds what might be expected as a result of demographic changes, are imperfectly understood. The gross cost of each prescription dispensed (including dispensing fees) stood in 1991-92 at its lowest level in real terms (£7.37 at 1992-93 prices) since 1985-86, but it is forecast to rise in 1992-93. There has been very little change in the number of pharmacies, which remains some 150 below its recent peak level of 9,919 in 1987. The average number of prescriptions dispensed by each pharmacy has increased steadily since 1985-86 and in 1991-92 was fully 20 per cent above that level.
- 5.19 The Indicative Prescribing Scheme was introduced on 1 April 1991, building on previous schemes, to increase the awareness of prescribing costs in general practice. Each practice is given an indicative prescribing amount (IPA). This is not intended to act as a cash limit – Ministers made it clear in introducing the scheme that no patient should go without the drugs they need – but acts as a yardstick against which GPs, and FHSA medical and pharmaceutical advisers, can assess prescribing costs. Information from the Prescription Pricing Authority's Prescribing Analyses and Costs (PACT) system is now sent to FHSAs electronically, and monthly instead of quarterly, enabling FHSA medical and pharmaceutical advisers to interrogate local prescribing information more efficiently and so monitor prescribing patterns more effectively. Regional Health Authorities have been asked to pay close attention to prescribing issues and to develop local targets for more cost effective prescribing in 1993-94.
- 5.20 The development of GP fundholding will also help to focus attention on cost-effective prescribing. Fundholders' drug expenses are included within their overall budgets, though they retain the flexibility to move funds into drug expenses from other parts of the budget where this would be cost-effective. Early indications are that fundholders have succeeded in restraining the growth in prescribing costs, relative to non fundholders, without any impact on benefits to patients.
- 5.21 Through the Pharmaceutical Price Regulation Scheme (PPRS), a voluntary agreement between the Department and the Association of the British Pharmaceutical Industry, overall profits from sales of proprietary medicines to the NHS have been controlled and in the last five years, £62m has been recovered from drug companies in respect of excess profits.
- 5.22 However, as has been noted, the rate of growth in the drugs bill has accelerated during 1992-93. Since growth at this rate has major implications for public expenditure, and if it continued would be at the cost of other health service care, further steps are to be taken to limit it. The PPRS will be renegotiated with the industry with the aim of restraining

companies' profits from sales to the NHS. The Selected List scheme, introduced in April 1985, is to be extended from seven to seventeen therapeutic categories. Under this scheme drugs within these categories may not be prescribed on the NHS where Ministers decide, following advice from the independent Advisory Committee on NHS Drugs, that there are effective alternatives available at lower cost. Additions to the list of such drugs are expected to be made progressively over the next year; the extent of the savings will depend on the recommendations of the Advisory Committee.

TABLE 23 FAMILY HEALTH SERVICES - KEY STATISTICS ON PHARMACEUTICAL SERVICES<sup>(1)</sup>

|   | 1978-79 | 1985-86 | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92 | % change<br>1978-79 to<br>1991-92 | % change<br>1990-91 to<br>1991-92 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|-----------------------------------|-----------------------------------|
| Prescriptions (thousand) <sup>(2)</sup>   | 326,057 | 341,411 | 346,497 | 362,685 | 376,797 | 387,228 | 396,579 | 415,373 | 27.4                              | 4.7                               |
| Average number of prescriptions dispensed by pharmacy and appliance contractors                           | 33,303  | 31,467  | 31,634  | 31,840  | 33,984  | 35,124  | 35,739  | 37,782  | 13.4                              | 5.7                               |
| Gross cost of pharmaceutical services per prescription (1992-93 prices) (£) <sup>(2)</sup> <sup>(3)</sup> | 6.06    | 7.27    | 7.49    | 7.48    | 7.62    | 7.65    | 7.49    | 7.37    | 21.6                              | -1.6                              |
| Cost of drugs and appliances in real terms (1992-93 prices) (£m) <sup>(2)</sup> <sup>(3)</sup>            | 1,561   | 1,910   | 2,000   | 2,114   | 2,237   | 2,338   | 2,318   | 2,416   | 54.8                              | 4.2                               |
| Percentage of prescriptions chargeable <sup>(4)</sup>   | 39.6    | 25.1    | 23.6    | 22.7    | 22.4    | 22.2    | 21.6    | 20.0    | -49.5                             | -7.4                              |

<sup>(1)</sup> Pharmaceutical services are mainly the supply of proper and sufficient drugs, medicines and listed appliances which are prescribed by general practitioners.

<sup>(2)</sup> Includes prescriptions dispensed by appliance contractors and dispensing doctors and personally administered prescriptions by both dispensing and non dispensing doctors.

<sup>(3)</sup> Gross pharmaceutical expenditure is total payments (drug costs and dispensing fees) to contractors less recoveries from health authorities and the Ministry of Defence (in respect of hospital and armed forces prescriptions dispensed in the community) and excluding refunds of charges.

<sup>(4)</sup> Chargeable prescriptions based on a calendar year and include items dispensed to holders of prescription prepayment certificates.

5.23 **General Dental Services.** The number of general dental practitioners increased by 27 per cent between September 1978 and September 1991, though there was a slight fall in 1991 mainly as a result of the compulsory retirement of elderly dentists and also wider take-up of vocational training. However, the number of courses of treatment for adults which each dentist carries out has increased even faster, with the average dentist now carrying out 12.3 per cent more courses of treatment than in 1978-79 and 8.5 per cent more courses of treatment than in 1990-91. When an increase in the average cost of a course of treatment is taken into account, together with the impact of other payments (such as continuing care payments and payments for services for children), the average cost per dentist rose by 13.0 per cent in real terms between 1990-91 and 1991-92.

5.24 The fact that more patients than expected have registered for NHS dental services, together with the associated increase in treatments, especially for adults, has exposed certain weaknesses in the current system of remuneration. In particular, forecasting errors led to dentists being paid substantially more than the Review Body intended in 1991-92. Indeed, maintaining fees at their 1991-92 levels would have delivered a further substantial overpayment in 1992-93, even though the Review Body had recommended an increase of 8.5 per cent in the target average net income (TANI). Although the Government decided against implementing the full fee reduction which would have been required to deliver no more than TANI, fees were reduced in 1992-93. A system which delivers inadequate financial control and can turn recommended increases in remuneration into reductions in fees is clearly in need of review. In July 1992, the Government asked Sir Kenneth

Bloomfield to carry out a wide ranging review of the dental remuneration system. Sir Kenneth's report was published at the beginning of 1993. The Government has announced its intention to consider carefully all views expressed and to produce proposals later in the year.

TABLE 24 FAMILY HEALTH SERVICES - KEY STATISTICS ON GENERAL DENTAL SERVICES<sup>(1)</sup>

|  | 1978-79 | 1985-86 | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92 | % change<br>1978-79 to<br>1991-91 | % change<br>1990-91 to<br>1991-92 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|-----------------------------------|-----------------------------------|
| Adult courses of treatment<br>(thousand)   | 17,022  | 21,338  | 21,962  | 22,395  | 24,027  | 22,809  | 22,559  | 24,273  | 42.6                              | 7.6                               |
| Adult courses of treatment<br>per GDP  | 1,443   | 1,497   | 1,521   | 1,525   | 1,619   | 1,515   | 1,494   | 1,621   | 12.3                              | 8.5                               |
| Children registered into<br>capitation (thousand) <sup>(2)</sup>   |         |         |         |         |         |         |         | 5,795   | -                                 | -                                 |
| Children registered per<br>GDP <sup>(2)</sup>  |         |         |         |         |         |         |         | 387     | -                                 | -                                 |
| Average gross cost of<br>adult courses of treatment<br>in real terms (1992-93)<br>prices) (£) <sup>(3)</sup> | 31.72   | 37.14   | 39.35   | 40.47   | 40.81   | 40.08   | 40.35   | 41.49   | 30.8                              | 2.8                               |
| Gross cost of General<br>Dental Services per GDP<br>in real terms (1992-93<br>prices) (£)                    | 66,658  | 69,356  | 74,543  | 76,795  | 82,079  | 75,775  | 76,745  | 86,734  | 30.1                              | 13.0                              |

<sup>(1)</sup> General dental services are the care and treatment provided by independent dental practitioners. These practitioners provide care and treatment under arrangements made with local family health services authorities.

<sup>(2)</sup> Number of children registered as at 30 September. Capitation registrations only began with the introduction of the new dental contract from 1 October 1990.

<sup>(3)</sup> Average gross cost of adult courses of treatment, as measured by Dental Practice Board data recording only item of service fees payable for such treatments up to 1990-91. From 1990-91 onwards, costs are based on item of service fees payable and adult continuing care payments. Prior to 1986-87, data is only available on a calendar year basis.

## 5.25

**General Ophthalmic Services** underwent substantial change on 1 April 1989 when NHS sight tests were restricted to certain priority groups. Meaningful comparisons of the numbers of NHS sight tests are therefore only possible between 1990-91 and 1991-92, when there were rises of 19.9 per cent in the number of sight tests carried out and 17 per cent in the number of vouchers issued, reflecting both a greater number of people eligible for NHS sight tests and higher take-up. Since 1988-89, the fee for NHS sight tests carried out by ophthalmic opticians has kept fairly level in real terms, although there was a slight increase of 1.5 per cent between 1990-91 and 1991-92. The rising numbers of sight tests and vouchers have led to a substantial increase of 18.0 per cent in the real terms cost of the GOS per optician over the same period. The Department is sponsoring a study to examine the practicality and cost of moving the focus for the care and monitoring of glaucoma patients from hospitals to the community. The aim is to provide for earlier detection, improve standards of care, make better use of professional skills, reduce unit costs and reduce waiting lists and times for ophthalmology.

TABLE 25 FAMILY HEALTH SERVICES - KEY STATISTICS ON GENERAL OPHTHALMIC SERVICES<sup>(1)</sup>

|  | 1978-79 | 1985-86 | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92 | % change<br>1978-79 to<br>1991-92 | % change<br>1990-91 to<br>1991-92 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|-----------------------------------|-----------------------------------|
| Number of NHS sight tests<br>(thousands) <sup>(2)</sup>                        | 7,894   | 10,245  | 10,615  | 11,695  | 12,493  | 5,280   | 4,154   | 4,979   | -36.9                             | 19.9                              |
| Number of vouchers<br>(thousands) <sup>(3)</sup>                               |         |         | 1,462   | 2,524   | 2,259   | 2,270   | 2,432   | 2,844   | -                                 | 17.0                              |
| Ophthalmic opticians' sight<br>test fee in real terms (1992-<br>93 prices) (£) | 11.27   | 12.88   | 12.00   | 12.80   | 12.50   | 12.52   | 12.48   | 12.67   | 12.4                              | 1.5                               |

Continued



# DEPARTMENT OF HEALTH

TABLE 25 *cont* FAMILY HEALTH SERVICES - KEY STATISTICS ON GENERAL OPHTHALMIC SERVICES<sup>(1)</sup>

|   | 1978-79 | 1985-86 | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92 | % change<br>1978-79 to<br>1991-92 | % change<br>1990-91 to<br>1991-92 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|-----------------------------------|-----------------------------------|
| Average value of voucher in<br>real terms (1992-93<br>prices) (£)     |         |         | 25.62   | 25.25   | 28.46   | 27.07   | 29.36   | 29.32   | -                                 | -0.1                              |
| Cost of service per optician<br>in real terms (1992-93<br>prices) (£) | 39,951  | 36,342  | 31,126  | 34,483  | 35,019  | 20,686  | 19,230  | 22,689  | -43.2                             | 18.0                              |

<sup>(1)</sup> General ophthalmic services provide free sight tests and spectacle vouchers, via community based optometrists, to eligible people (children, adults on low incomes and those with certain special needs).

<sup>(2)</sup> NHS sight tests were restricted to certain priority groups from 1 April 1989. Figures for 1989-90 include some sight tests carried out before the change in Regulations.

<sup>(3)</sup> Vouchers were introduced to help certain priority groups with the provision of glasses from 1 July 1986.

TABLE 26 FAMILY HEALTH SERVICES STAFFING

|  | 1978   | 1984   | 1985   | 1986   | 1987   | 1988   | 1989   | 1990   | 1991   | % Change<br>1978 to 1991 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------------------|
| <b>Clinical staff</b>  |        |        |        |        |        |        |        |        |        |                          |
| Number of general medical<br>practitioners <sup>(1)</sup>                      | 21,040 | 23,640 | 24,035 | 24,460 | 24,922 | 25,322 | 25,608 | 25,622 | 25,686 | 22.1                     |
| Number of GP practice staff <sup>(2)</sup>                                     | 19,372 | 25,994 | 27,394 | 29,441 | 31,111 | 33,701 | 37,545 | 45,575 | 48,730 | 151.5                    |
| Number of practice nurses<br>(included in GP practice<br>staff) <sup>(2)</sup> | 888    | 1,924  | 2,211  | 2,501  | 2,768  | 3,480  | 4,632  | 7,698  | 8,776  | 888.3                    |
| Number of contracting<br>pharmacies <sup>(3) (4)</sup>                         | 8,761  | 9,207  | 9,499  | 9,763  | 9,919  | 9,768  | 9,715  | 9,755  | 9,765  | 11.5                     |
| Number of general dental<br>practitioners <sup>(5)</sup>                       | 11,796 | 13,984 | 14,257 | 14,442 | 14,685 | 14,840 | 15,052 | 15,104 | 14,978 | 27.0                     |
| Number of opticians <sup>(6)</sup>   | 5,300  | 5,826  | 5,899  | 6,002  | 6,062  | 6,210  | 6,298  | 6,431  | 6,502  | 22.7                     |
| <b>Family Health Services Management</b>                                       |        |        |        |        |        |        |        |        |        |                          |
| Family Health Services<br>Authorities <sup>(2)</sup>                           | (7)    | (7)    | 4,740  | 4,680  | 4,440  | 4,190  | 4,510  | 5,130  | 5,607  | (7)                      |
| Prescription Pricing<br>Authority <sup>(2)(8)</sup>                            | 1,911  | 1,975  | 1,997  | 1,972  | 1,843  | 1,720  | 1,782  | 1,834  | 1,859  | -2.7                     |
| Dental Practice Board <sup>(2)(9)</sup>  | 1,462  | 1,545  | 1,527  | 1,540  | 1,471  | 1,369  | 1,268  | 1,220  | 1,126  | -23.0                    |

<sup>(1)</sup> Unrestricted principals at 1 October.

<sup>(2)</sup> Whole-time equivalents

<sup>(3)</sup> Excludes appliance contractors and dispensing doctors

<sup>(4)</sup> From 1990 figures are shown as at 31 March (eg. 1990 is number as at 31 March 1991).

<sup>(5)</sup> Principals in post at 30 September.

<sup>(6)</sup> Ophthalmic opticians and ophthalmic medical practitioners at 31 December

<sup>(7)</sup> Separate figures for FHSAs not available on a consistent basis prior to them becoming independent on 1 April 1985.

<sup>(8)</sup> The increase in staffing reflects an increase in the PPA Computer Services Division to deliver the Indicative Prescribing Scheme (an NHS Review project) and the Prescribing Cost Analysis system.

<sup>(9)</sup> Includes 25 dental officers transferred from the Department of Health to the DPB to staff the Dental Reference Service.

## CENTRAL HEALTH AND MISCELLANEOUS SERVICES

- 5.26 In the CHMS, examples of performance include:
- the Drugs Misuse advertising campaign, which aimed to raise awareness of drugs and to deter young people from using them, reached 94 per cent of the target audience between the ages of thirteen and twenty;
  - the Prescription Pricing Authority has again exceeded its efficiency target. The output of 2,850 prescriptions per day per pricer rose by 8 per cent to 3,093;
  - the Homeless Mentally Ill Initiative (see paragraph 4.45) exceeded its target of providing sixty bed-spaces at a cost of £4m spread over the years 1990-91 and 1991-92, by almost 22 per cent;
  - the Dental Practice Board responded to the introduction of the new contract for GDS dentists, increasing the total number of transactions from 35 million to 45 million per year. Monthly payments to all GDS dentists are now made by the Board, rather than by family health services authorities, and management of the Dental Reference Service has been taken over from the Department. The additional workload has been achieved without an adverse impact on the medium term strategy to reduce administrative staff. These fell by 11 per cent to 1,126 over the two year period;
  - the Department directly funds part of its long term research effort through rolling contracts with a number of research units. As part of the process of reviewing the quality and priority of research, the number of units has been reduced by 40 per cent in the last four years, enabling a greater proportion of the total research budget to be targeted on new projects and programmes addressing the highest priority research needs.

## ACCOUNTABILITY AND MONITORING

- 5.27 The performance of regional health authorities (RHAs) is scrutinised by the National Health Service Management Executive (NHSME) through the annual accountability review process. This is a cycle of rolling reviews which culminates in an annual top level meeting between the Chief Executive and Deputy Chief Executive of the NHSME and the regional general manager and chairman. At this meeting, progress to date, region-specific objectives for the following year and strategic aims for the longer term are discussed.
- 5.28 The Performance Management Directorate (PMD) of the NHSME provides the general management line between the NHSME and the NHS. PMD holds RHAs rigorously to account for their performance on the basis of corporate contracts agreed by the NHSME. Corporate contracts reflect both national and regional priorities and purchasing plans agreed by district health authorities, family health services authorities and, where appropriate, GP fundholders. Performance is monitored through formal submissions (corporate contracts and quarterly returns) and regular contact between the NHSME's performance management teams and regional managers. Issues outside corporate contracts are also raised with RHAs as appropriate to ensure performance is satisfactory. Formal action is taken on an exception basis where regions appear to fall below acceptable standards.
- 5.29 NHS trusts are directly accountable to Ministers through the NHS Management Executive. In order to confirm and strengthen that line of accountability the NHSME established six monitoring outposts which became operational in April 1992. Each outpost is served by qualified accountants and has a general manager and finance director. The main functions of the outposts include financial monitoring to ensure trusts fulfil their statutory financial duties; assessing strategic directions and business plans; and approving business cases for capital developments.

## REGIONAL COMPARISONS

- 5.30 Since the early 1980s, the Department has compiled and made available to all authorities and NHS trusts comparative information in the form of health service indicators (HSIs). Their use in local analysis and performance monitoring has been strongly encouraged. The NHS Management Executive is seeking to make the indicators more performance focused and to link them more closely with the goals and strategies of the NHS. To support the Patient's Charter initiatives, work is also being done, with assistance from the Audit Commission, to develop indicators which will help members of the public to assess local health services.
- 5.31 The HSIs, and other performance information available to the Department, show up interesting variations between regions, between districts and between providers. Some of these are for illustration shown in **Figures 16 to 20** and discussed in the box.

## REGIONAL COMPARISONS

**GENERAL AND ACUTE ACTIVITY PER 100,000 POPULATION (Figure 16)** Variations in acute activity rates, from over 12,000 to about 18,000, reflect many factors including patient demand and need (which in turn would be affected by the age/sex and socioeconomic profiles), primary care referral patterns, technical efficiency and changes in provider capacity (for example, increases in day case surgery and shorter hospital stays). To exemplify these, Figure 16 also compares bed numbers and death rates in each region.

**DAY CASES AS A PROPORTION OF TOTAL ACTIVITY (Figure 17)** There have been marked changes in the rates for day cases over the last few years and this has been an area of considerable management intervention both centrally and locally. This reflects technical efficiency more, and the other factors less, than **Figure 16**. The position shown here should be seen in the context of historical rates; whilst the national time series show a sustained improvement throughout the NHS, this has been significantly more marked in certain regions. This figure also reflects changes and variations in patterns of care: centres specialising in activities which are less easily transferred to day case work would be more resistant to a change in their profile on such a graph.

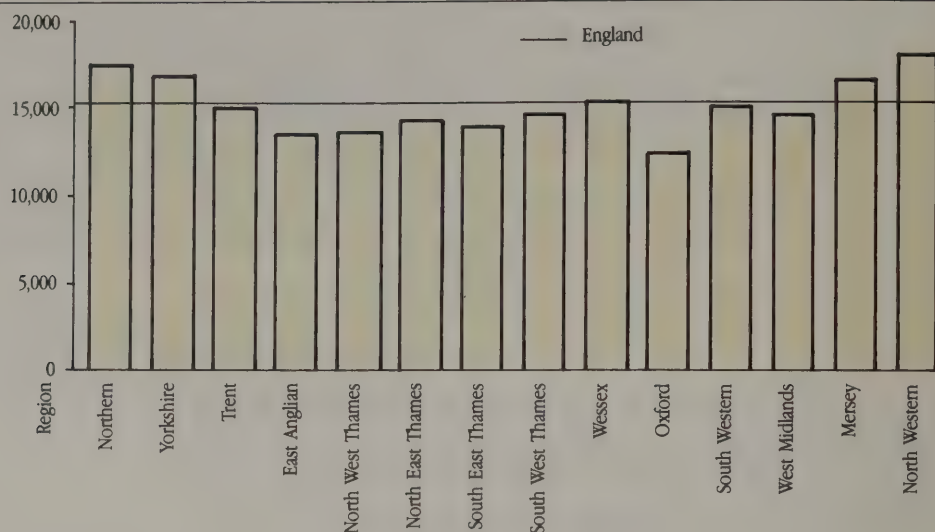
**ELDERLY DAY CARE ATTENDANCES (Figure 18)** The wide variation between regions would be influenced by the age profile over 75, the percentage of elderly being cared for by relatives, historical provider capacity and recent trends in reprovision of day care. Services provided by bodies other than the NHS, such as local authorities, are not included in this graph.

**CORONARY HEART DISEASE DEATHS BELOW THE AGE OF 65 (Figure 19)** This figure, based on standardised mortality rates, shows a well known distribution, with northern parts of the country having higher death rates from coronary heart disease. It is important to recognise, however, that changes through health care intervention and alterations in lifestyle only become manifest in death rates after several years. For example, a significant change this year could be expected to show up in five to fifteen years in the population.

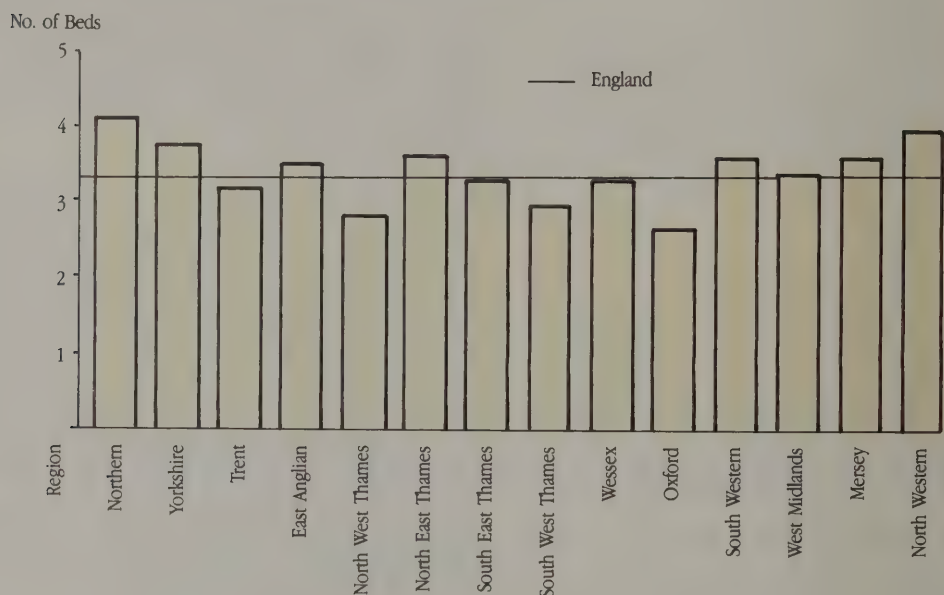
**GENERIC PRESCRIBING (Figure 20)** Although generic prescribing rates vary from about 38 per cent to 45 per cent, eleven of the fourteen regions are spread much more closely at just over 40 per cent. FHSAs are to set targets for increased proportions of generic prescribing in 1993-94.



FIGURE 16 GENERAL AND ACUTE PURCHASE OF ACTIVITY PER 100,000 POPULATION 1991-92



GENERAL AND ACUTE BEDS PER 1,000 POPULATION 1991-92



STANDARD MORTALITY RATE - AVOIDABLE DEATHS 1987-91

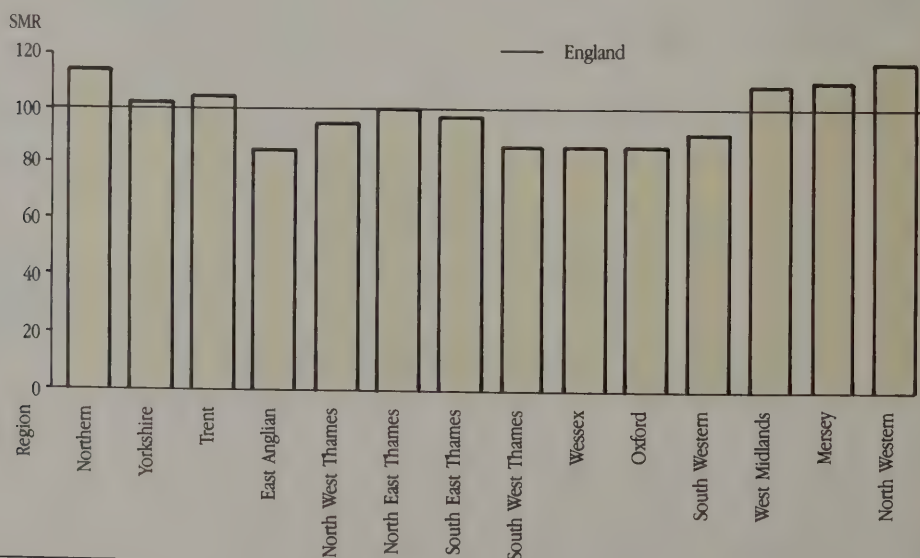


FIGURE 17 DAY CASES AS A PROPORTION OF ALL GENERAL AND ACUTE ACTIVITY 1991-92

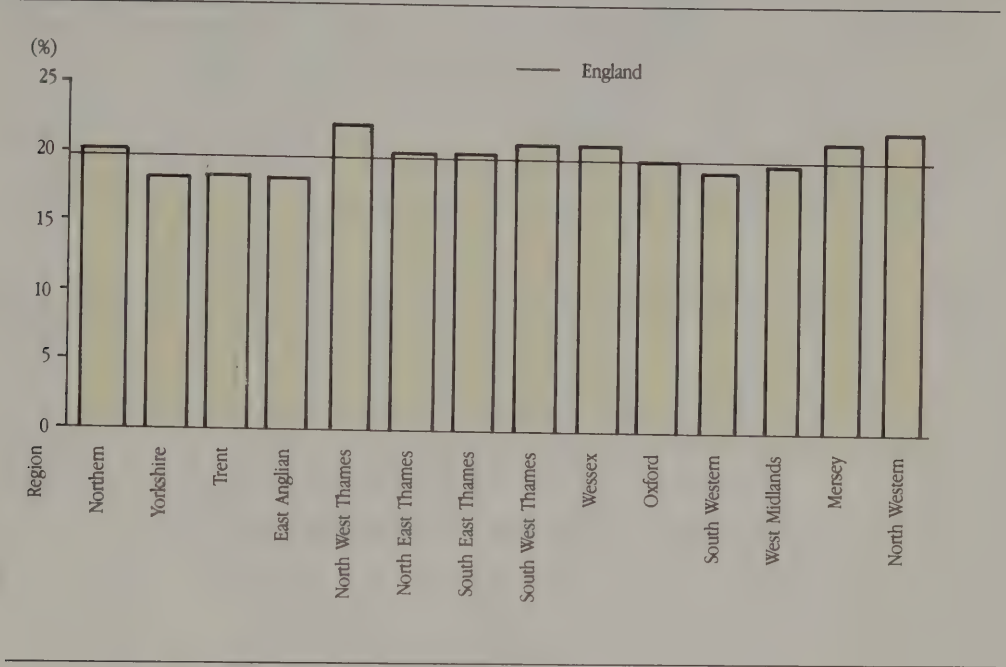


FIGURE 18 ELDERLY DAY CARE ATTENDANCES PER 100,000 POPULATION OVER AGE 74 1991-92



FIGURE 19 DEATH RATES FOR CORONARY HEART DISEASE IN PERSONS AGED UNDER 65 1989-91

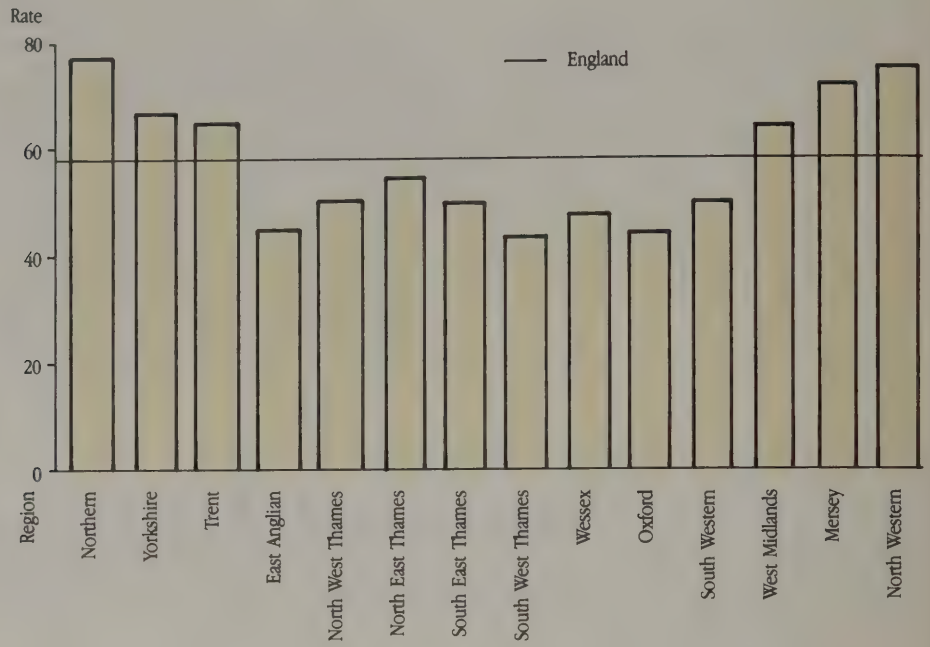


FIGURE 20 PROPORTION OF ITEMS PRESCRIBED GENERICALLY 1990-91





## STAFFING

5.32

The NHS is one of the largest employers in the world. In September 1991, staff in post totalled 800,700 whole time equivalents, of whom 102,300 were employed by NHS trusts. Staff costs account for two-thirds of total NHS expenditure, and just under 70 per cent of HCHS current expenditure (excluding capital charges). **Table 27** and **Figure 21** show how the numbers of staff in post for each of the main HCHS staff groups have changed since 1981 (the reduction in the working week for nurses distorts comparisons with earlier years):

- the numbers of medical and dental staff have increased by 18 per cent since 1981, and numbers of scientific, professional and technical staff increased by 33 per cent.
- the increase in the number of general and senior managers in recent years has been particularly marked. This reflects the extension of the senior manager pay scheme in 1989 to include lower tiers of management, which resulted in the transfer into this group of managers from other staff groups, including nurses.
- the number of nursing and midwifery staff, who make up 50 per cent of the NHS workforce, has increased by 1 per cent since 1981. The drop in their numbers in 1991 reflects the continuing transfer of senior nurse managers to the general/senior manager group and the growth of Project 2000 nurse training (Project 2000 learners are excluded from this figure).
- the sharp falls throughout the period in the numbers of directly employed ancillary staff and of maintenance and works staff reflect the continuing effect of competitive tendering exercises.

TABLE 27 NHS STAFF IN POST BY MAIN STAFF GROUP <sup>(1)</sup> WTE

|   | 1981           | 1985           | 1986           | 1987           | 1988           | 1989           | 1990           | 1991           | Percentage Change 1981-91 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|
| <b>Staff Group</b>  |                |                |                |                |                |                |                |                |                           |
| Nursing & Midwifery (including agency)                          | 391,800        | 401,200        | 402,700        | 404,000        | 403,900        | 405,300        | 402,100        | 396,200        | 1.1                       |
| % of all staff  | 47.5           | 49.3           | 50.2           | 50.6           | 50.9           | 50.9           | 50.5           | 49.5           |                           |
| Medical and Dental <sup>(2)</sup> (including locum)             | 41,000         | 43,000         | 43,200         | 43,400         | 44,700         | 46,300         | 47,400         | 48,600         | 18.6                      |
| % of all staff  | 5.0            | 5.3            | 5.4            | 5.4            | 5.6            | 5.8            | 5.9            | 6.1            |                           |
| All professional and technical <sup>(3)</sup> (excluding works) | 65,200         | 74,300         | 76,100         | 79,000         | 79,800         | 81,200         | 84,000         | 86,500         | 32.6                      |
| % of all staff  | 7.9            | 9.1            | 9.5            | 9.9            | 10.1           | 10.2           | 10.5           | 10.9           |                           |
| Ancillary   | 172,200        | 139,400        | 124,300        | 115,100        | 107,600        | 102,400        | 95,700         | 85,900         | -50.1                     |
| % of all staff  | 20.9           | 17.1           | 15.5           | 14.4           | 13.6           | 12.9           | 12.0           | 10.7           |                           |
| Administration & Clerical                                       | 108,800        | 110,900        | 110,800        | 113,900        | 114,700        | 116,900        | 120,000        | 127,400        | 17.1                      |
| % of all staff  | 13.2           | 13.6           | 13.8           | 14.2           | 14.5           | 14.7           | 15.1           | 15.9           |                           |
| Maintenance and Works   | 27,200         | 25,800         | 25,000         | 24,200         | 22,700         | 21,200         | 19,900         | 18,300         | -32.5                     |
| % of all staff  | 3.3            | 3.2            | 3.1            | 3.0            | 2.9            | 2.7            | 2.5            | 2.3            |                           |
| General/Senior Managers   |                | 300            | 500            | 700            | 1,200          | 4,600          | 9,700          | 13,300         |                           |
| % of all staff  |                | 0.0            | 0.1            | 0.1            | 0.2            | 0.6            | 1.2            | 1.7            |                           |
| Ambulance (including Officers)                                  | 18,200         | 18,200         | 19,000         | 19,000         | 18,800         | 18,800         | 18,100         | 18,200         | -0.2                      |
| % of all staff  | 2.2            | 2.2            | 2.4            | 2.4            | 2.4            | 2.4            | 2.3            | 2.3            |                           |
| Others  |                |                |                |                |                |                |                | 6,100          |                           |
| % of all staff  |                |                |                |                |                |                |                | 0.8            |                           |
| <b>Total employed staff</b>                                     | <b>824,400</b> | <b>812,900</b> | <b>801,600</b> | <b>799,300</b> | <b>793,400</b> | <b>796,600</b> | <b>796,900</b> | <b>800,500</b> | <b>-2.9</b>               |

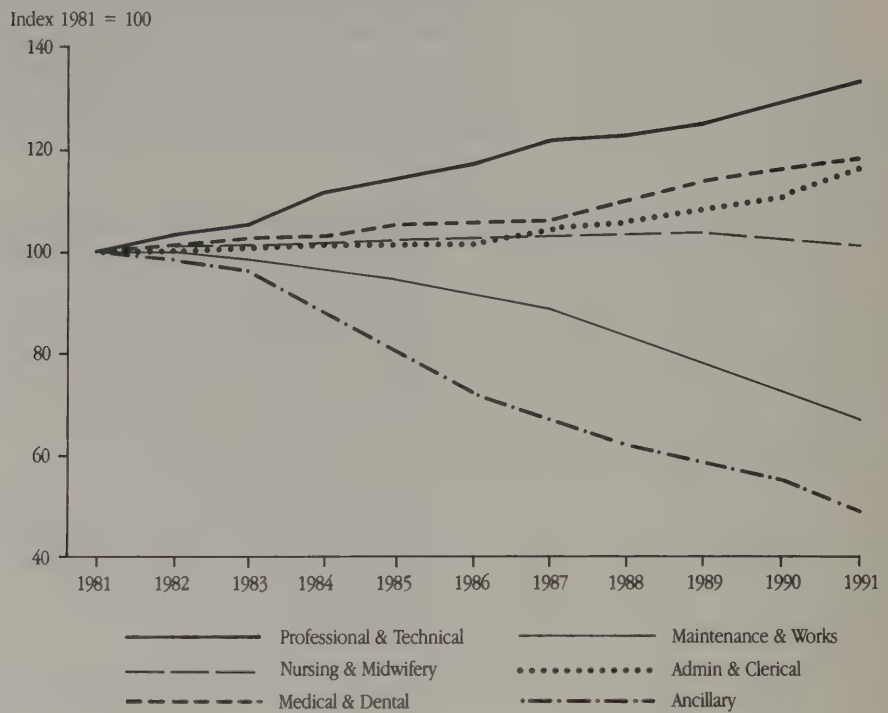
<sup>(1)</sup> At 30 September. Includes staff at the Dental Practice Board, Prescription Pricing Authority, London Post Graduate Special Health Authorities and Family Health Services Authorities. From 1987 onwards, figures also include the other statutory authorities (eg PHLS and HEA) not previously collected in the Annual Manpower Censuses. From 1991 figures include the SHSA staff figures as well. Figures are therefore not comparable with those for earlier years. All figures are independently rounded to the nearest 100 whole time equivalents. Percentages are calculated on unrounded figures.

<sup>(2)</sup> Includes all permanent paid and honorary staff in hospitals and primary health care services, hospital practitioners and part-time medical/dental officers.

<sup>(3)</sup> Not adjusted for transfer of Operating Department Assistants from Ancillary to Professional & Technical staff groups on 1 April 1984.

FIGURE 11

## NHS STAFF IN POST BY MAIN STAFF GROUP ENGLAND - WTE



5.33

**Table 26** shows the numbers of practitioners and staff in the Family Health Services. Numbers of general medical practitioners (unrestricted principals) have increased by 22 per cent since 1978 and, as a result, the average list size has fallen by 16 per cent to 1,947. Practice staff have increased by 152 per cent since 1978, including an almost ninefold increase in the number of practice nurses (see also paragraph 5.15). The number of general dental practitioners has increased by 27 per cent (see also paragraph 5.23).

5.34

The Government's public sector pay policy for 1992-93 applies to NHS staff as to all public employees, whether their pay is negotiated, recommended by Review Bodies, subject to formula or outside any central arrangements. All public sector wage increases in the year from 12 November 1992 are to be restricted to between zero and 1.5 per cent to keep the growth in the public sector paybill as low as possible. NHS Review Body Chairmen have been asked not to make recommendations on overall levels of pay from 1 April 1993, but to consider, if they wish, the distribution of the sum available for each remit group and make recommendations accordingly. The Government has reaffirmed the continuing role of the Review Body system. The remit of the Whitley Councils and other central negotiating bodies will be restricted to settlements of not more than 1.5 per cent for each group. The negotiating bodies will be asked to continue to address within that any structural or other pay issues. For those staff whose pay is not subject to central arrangements (staff on NHS trust or other locally determined terms and conditions), chairmen of NHS employing authorities have been asked to ensure that the same principles apply.

5.35

The Government's objective throughout the service is progressively to introduce greater pay flexibility, in order to allow managers to relate pay rates to local markets and reward individual performance. The Citizen's Charter promotes performance pay generally within the public service, so that there is a regular and direct relationship between a person's contribution to the standards of service provided and his or her reward. Building on the

work of the last two years, further steps have been taken in 1992 towards this objective and that of providing a more effective workforce through better management development, education and training. Details of these are given in the two boxes below.

### **FLEXIBILITY IN PAY AND CONDITIONS; DEVELOPMENTS IN 1992**

**NHS trusts** are using their freedoms relating to labour utilization and reward to create a more flexible workforce, with skills directly matched to the job to be done and pay systems in which performance is recognised.

The Department remains committed to developing performance pay arrangements, and increasing pay flexibility, for **doctors, dentists, nurses and midwives and the professions allied to medicine**, and will wish proposals to be discussed with the medical and dental professions. Discussions with the staff sides for nurses and PAMs on flexible pay have been scheduled to begin early in 1993.

During pay negotiations in the **Whitley Councils**, all Staff Sides were given notice of Management Sides' intentions to have discussions on relating pay more closely to performance.

The overall remuneration of **general and senior managers** is being reviewed and research is taking place to develop nationally evaluated job benchmarks, with the intention of introducing more flexible pay arrangements.

The **Ancillary Staffs Council** agreed the amalgamation of former grades A and B. 80 per cent of the ancillary workforce now receive the same rates of pay and therefore are available to cover the majority of non-supervisory ancillary jobs.

Following a settlement with unions representing **NHS maintenance staff**, local agreements on working hours can be reached which substitute local terms for any national conditions of service except for those applying to all NHS staff groups and weekly rates of pay.

### **BETTER PROFESSIONAL AND MANAGEMENT EDUCATION, TRAINING AND DEVELOPMENT: DEVELOPMENTS IN 1992-93**

Further progress has been made in the NHS with **Opportunity 2000** - the campaign to increase the quality and quantity of women's participation in the workforce. An implementation guide has been issued to help managers translate the national goals into local action plans and an employees guide has been issued to increase general awareness of the campaign. Goal 3 of Opportunity 2000 calls for an increase in the proportion of women consultants from 15.5 per cent in 1991 to 20 per cent by 1994: in 1990-91, 24 per cent of the consultants appointed were women. This year the Department is providing about £2 million to quadruple the number of part time career registrar posts by 1995; so far, over 100 new posts have been created. More women are now competing for senior posts; for example, women were appointed to eleven out of twenty-four, or 46 per cent, of top manager posts between March and October 1992. In addition, developments are in hand for improving employment opportunities for **disabled staff** and for **staff from ethnic minorities**, including the introduction of arrangements for central collection of ethnic monitoring data. The Secretary of State has convened a series of working lunches to consider a programme of action aimed at furthering equality of opportunity for black and ethnic minority staff in the NHS. The resulting action will be launched in 1993.

Health authorities have made significant progress in implementing the **New Deal for junior doctors** which is intended to reduce significantly the hours of duty of hospital



doctors and dentists in training. Between September 1990 and August 1992 the number of junior doctors contracted for more than 83 hours a week has declined by some 10,000 to 3,234. The Government has set a target date of 1 April 1993 for eliminating posts with average contracted hours in excess of 83 per week. Funding has been made available for a further 150 consultant posts and 100 staff grade posts in England in 1992-93 as part of the rolling programme to support the hours reduction process. An extra £37 million has been made available for 1993-94.

NHS organisations have made great progress in the implementation of the **NHS Management Development Strategy** which was launched by the Chief Executive in October 1991. A national programme has supported local hospital and community services as they develop innovative management development activities which are designed to support achievement of service objectives. Increasing numbers of clinical and professional staff have been included in such pilot schemes as they undertake new managerial responsibilities associated with the establishment of clinical directorates. The resulting good practice from pilot schemes has been documented and widely disseminated throughout the NHS. Innovative work on the skills required by purchasing managers has also been undertaken in conjunction with the Purchasing Unit of the NHSME.

The **Medical Manpower Standing Advisory Committee (MMSAC)** made its first report to the Secretary of State in December 1992. The report, which was published, recommended a modest increase in medical school intake together with immediate action to reduce the number of leavers from the medical workforce. The Government will be looking at the report in detail and carefully considering the recommendations it contains. MMSAC will continue to monitor trends in the supply of and demand for medical manpower with a view to making a further report to Secretary of State early in 1994.

An extensive review of **postgraduate medical education** has been carried out by a Working Group under the leadership of the Chief Medical Officer, following concern that the arrangements in the UK did not fulfil the Government's responsibilities under EC law properly. The review is expected to lead to considerable improvements in junior doctors' education and training, including a significant reduction in the time which individual doctors spend in the training grades.

Formal contracts of service have been introduced for **GP course organisers** (who arrange postgraduate training for vocational trainees in general practice) and for **GP tutors** (who arrange continuing education for GP principals), following negotiations with the BMA.

The **Steering Group on Undergraduate Medical and Dental Education and Research** published an interim Report in early 1993 on the effects of the NHS reforms on the arrangements for undergraduate medical and dental education and research. A £2 million scheme, providing service support for undergraduate teaching and research in academic general practices, has been set up following recommendations made by the Steering Group and has generally been welcomed. The Group will continue its work into 1993.

The **Nurses, Midwives and Health Visitors Act 1992**, which comes into full effect on 1 April 1993, changes the composition and functions of the five statutory bodies which regulate the nursing, midwifery and health visiting professions. The United Kingdom Central Council (UKCC) will continue to hold the central Register of qualified nurses, midwives and health visitors; to set the overall standards for nurse education and training; and to deal with professional discipline. The four National Boards will continue to be responsible for approving training courses and institutions on the basis

of overall standards prescribed by the UKCC. They will lose their existing responsibility for funding the salaries of nurse tutors, and their existing budget for this purpose will be devolved to Regions.

Further progress has been made in implementing the **Project 2000** proposals for the reform of nurse education to make nurse training more attractive and to give nurses a broader based education. Sixty-four schools have received approval to start Project 2000 training by April 1993. This means that approval for Project 2000 has now been given to nearly 80 per cent of nursing schools. Spending on Project 2000 is expected to have reached £207 million by the end of March 1993. A further £114 million has been allocated for 1993-94.

A successful first programme for **community pharmacists** was launched by the Centre for Pharmacy Postgraduate Education in April 1992. Targets set out in the Strategic Framework have been surpassed. The Steering Committee on Pharmacy Postgraduate Education (SCOPE) continues to provide an overview to postgraduate education for pharmacists. Review of hospital pharmacist training is a priority for 1992-93.

Considerable progress has been made on the development of **National Vocational Qualifications (NVQs)**. NVQs have been developed for health care support workers, ambulance personnel, operating department practitioners, physiological measurement technicians, and administrative and clerical staff. In addition, a new NVQ in Care has been launched. This amalgamates two existing NVQs for Health and for Social Care, and brings a common award for staff in social services and health care.

Health Service management and union representatives have agreed provisions which make clear that **sexual and racial harassment** at work is unacceptable and should be a disciplinary offence. The agreement is part of a series of initiatives NHS managers are taking to make local employment strategies more effective. It complements the arrangements already made for career breaks, child care, special leave to deal with a range of domestic, personal and family needs, and improved maternity pay and leave.

## SPECIFIC INITIATIVES TO INCREASE EFFICIENCY AND VALUE FOR MONEY

- 5.36 **The Value for Money Unit.** The NHSME's Value for Money Unit is assisting in the development of local strategies for promoting the achievement of value for money improvements. The VFM Unit also undertakes a defined programme of work in the NHS in key areas. The aim is to ensure that good local practice is developed and communicated widely to ensure that all localities can benefit. VFMU reports published between 1990 and mid-1992 have generated actual savings of around £100 million. Reports being published during 1992-93 cover patient hotels, nursing skill mix in the community, and space utilization. These reports indicate the potential for a reduction of around 45 per cent in the hotel costs incurred by conventional hospital wards by the development of patient hotels, and savings of 12 to 15 per cent in district nursing service expenditure by examining the nursing grade profile. However, VFM is not just about savings. The prime objective of the Unit is to secure improvement in the use of resources and quality of service.
- 5.37 **Audit Commission reports.** Since it formally assumed audit and VFM duties for the NHS in October 1990, the Audit Commission has undertaken a programme of two to three VFM projects a year. Each study can take eighteen months or over from inception to report and more time is needed for NHS authorities to act on findings and gain improvements. The benefits which the VFM studies highlight tend to be higher levels of service, greater throughput and shorter waiting lists. Paradoxically, higher work levels, though better value for money, can entail higher costs overall when cash savings were perhaps hoped for. Two studies illustrate the progressive advantages which occur when implementing VFM study



recommendations. The Commission's reports on day surgery and the use of medical beds in acute hospitals recommended changing patterns of work which, as they are introduced, bring a mixture of better services and some cost savings. Follow up work shows that the speed of change is governed very much by local circumstances and practice.

- 5.38 **NHS Supplies.** The NHS Supplies Authority was established in October 1991. By October 1992 it had taken over the responsibilities formerly with regional and district health authorities for supply services to the NHS. The aim is to bring together the best features of the existing supplies organisations so as to provide a professional and responsive supplies service and to ensure value for money for NHS purchases of goods and services, thus releasing more money for spending on patient care.
- 5.39 Harmonising the diverse operations which the NHSSA inherited is a major task. A national information strategy has now been developed, with the immediate objective of bringing all customers within each of the Authority's six divisions on to a single system within each division inside two years and moving towards a national system thereafter. Other major objectives are to bring more of NHS non pay spending under the influence of professional purchasing; to develop more systematic measures of purchasing performance; and to achieve continuing savings through rationalisation of product lines, distribution and storage. The NHSME has set the NHSSA the target of achieving savings of 1 per cent through cost effective purchasing in its first six months of full operation, and further financial and service targets will be set for 1993-94 and regularly monitored and updated.
- 5.40 **Market Testing.** The White Paper "Competing for Quality" indicated the Government's intention to encourage the further development of market testing of NHS activities to ensure the best quality and value for money is achieved. The Government's programme of reform aims to make managers more accountable for performance within a clear framework of objectives and resources; to distinguish the roles of policy formulation and service delivery; and to introduce, where feasible, contracts and service level agreements which define standards of performance and responsibility for meeting them. Market testing will enable managers to focus on buying the best standard of service achievable within their resources. Comprehensive guidance on market testing will be issued to all providers shortly and will be updated regularly. In 1991-92, 86 per cent of all tendering exercises were awarded in house and the estimated savings for the year amounted to £120 million.
- 5.41 **The NHS Estate.** The NHS estate consists of approximately 41,000 acres, containing some 1,700 hospitals and a range of smaller buildings, such as clinics, health centres, ambulance stations, and offices, together with 92,000 units of residential accommodation. Policy for the estate is to:
- facilitate long term improvements in efficiency and effectiveness;
  - bring the estate up to adequate condition standards;
  - ensure that only land and buildings required at the present day and in the foreseeable future are retained; and
  - maximise disposal proceeds.
- 5.42 The NHS Estate Management and Health Building Agency (NHS Estates) was formed on 1 April 1991 as an executive agency with the specific objective of supporting Ministers, the NHS Management Executive, health authorities and NHS trusts in the development and implementation of policies, strategies and systems for the cost-effective management of the NHS estate. The Agency assists health authorities and trusts to secure maximum value for money from capital investment and to help them to rationalise, develop and renew the estate within available resources in such a way as to optimise its contribution to the delivery of health care. See **Annex G** for a summary of the Agency's activities.



- 5.43
- A new system of capital charging was introduced in April 1991. For the directly managed sector, capital charges on asset holdings are payable to the regional health authority, and there is an equivalent system in place for NHS trusts. Broadly, the charges are made up of provision for depreciation and a 6 per cent return on current asset values. These charges mean that capital is no longer a “free good”, as it might previously have seemed at district level when it came out of an RHA budget, but now has a cost attached to it. Given the requirement to break even, this means that the charges have to be passed on to purchasers. New capital investments that reduce overall costs will be of direct benefit to purchasers who will gain through lower prices, but for investments that would increase overall costs purchasers will have to weigh carefully the gains from the extra capital against the higher prices. At present, purchasers are largely reimbursed for the capital charges of the particular providers they use. However, from 1994-95 this will progressively be replaced by formula funding, so both purchasers and providers will increasingly have new incentives to be more prudent in their demands for extra capital.
- 5.44
- A further contribution towards rationalising the NHS estate is made by the Capital Loans Fund. This scheme is primarily targeted at the replacement of outdated mental health institutions by modern community based facilities. It enables health authorities and trusts to obtain bridging finance to develop new services which then allow old hospitals to be closed and sold. Loans from the Fund in 1992-93 allowed a start to be made on projects with a total cost of £69 million.
- 5.45
- Between 1979-80 and 1991-92 a total of £1.5 billion has been realised from the disposal of surplus land and property. Health authorities are able to retain and spend capital receipts as an addition to their cash limits, providing them with an incentive to maximise receipts. Outturn figures for recent years and the latest estimates for 1992-93 and 1993-94 are in **Table 28**. It is estimated that over the next ten years about 10,000 acres of the NHS estate will become surplus as a result of changes in service provision and rationalisation of the existing estate.

TABLE 28      CAPITAL RECEIPTS<sup>(1)</sup>      £MILLION

| Year                |     |
|---------------------|-----|
| 1978-79             | 8   |
| 1985-86             | 85  |
| 1986-87             | 149 |
| 1987-88             | 201 |
| 1988-89             | 271 |
| 1989-90             | 232 |
| 1990-91             | 175 |
| 1991-92             | 167 |
| 1992-93 (estimated) | 150 |
| 1993-94 (planned)   | 155 |

<sup>(1)</sup> Including receipts from the sale of vehicles and equipment.  
<sup>(2)</sup> Figures from 1985-86 to 1991-921 are based on the Appropriation Account outturn.  
<sup>(3)</sup> Latest estimates are shown for 1992-93 and 1993-94. These may, however, be affected by changes in the timing of sales and in the nature of the property to be sold (for example, because of changes in service provision) and by the planning permission to be obtained.

The Personal Social Services Programme

Overall Efficiency

- 5.46
- The prime responsibility for ensuring that personal social services are delivered efficiently lies with local authorities. Authorities need to make the most effective use possible of the resources available to them by holding pay increases within 1.5 per cent and by targeting services on those in greatest need, ensuring the maximum possible income from charges where relevant. Authorities are expected to secure improved value for money in their contracts with the independent sector for the services they purchase. To help authorities

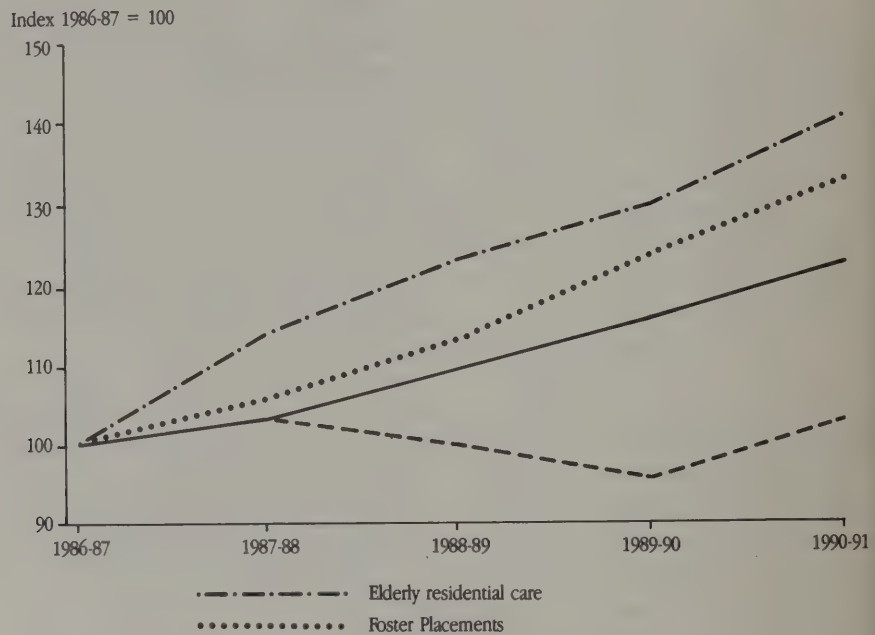
discharge that responsibility, the Department has developed key indicators which provide comparative data on some unit costs for individual authorities.

## Unit Costs

5.47

**Figure 22** shows how unit costs in selected PSS services have changed since 1986-87 after allowing for movements in PSS pay and prices.

**FIGURE 22 AVERAGE NET WEEKLY COST PER RECIPIENT OF PERSONAL SOCIAL SERVICES**



5.48

Unit costs for elderly people receiving local authority support in residential homes have risen, almost certainly reflecting higher average dependency levels. These are thought to be associated with a decline in the provision of residential accommodation for elderly people in local authority homes. (This change in provision has, however, been balanced by continuing increases in the number of people in private and voluntary homes supported by social security payments). Unit costs of local authority day care places for elderly people have also risen.

5.49

Unit costs for children in care, both in foster placements and in local authority residential (community) homes, rose in the period 1980 to 1991. This is believed to be linked with the higher proportion of children in care who are now fostered - and the increased proportion of children in residential homes who are older and have more serious problems (see paragraphs 4.36 to 4.38). If so, the increased unit costs reflect the shift towards a more community orientated service, with rising quality of care and better value for money (taking account of the fact that foster placements have lower unit costs than residential placements).

## Staffing

5.50

In 1990-91 (the latest year for which full details are available) employee costs accounted for some 66 per cent of gross current local authority spending on the social services. **Table 29** shows the staffing figures for the main PSS staff groups. PSS staff increased by some 25 per cent between 1978-79 and 1990-91. The most significant increases have been

in social work staff, day care and home helps. In the residential care group, increases in staff in adult services have been offset by reductions in the staff in children's homes.

TABLE 29

PERSONAL SOCIAL SERVICES STAFF<sup>(1)</sup>

WTE THOUSANDS

|  | 1978-79    | 1986-87    | 1987-88    | 1988-89    | 1989-90    | 1990-91    |
|--|------------|------------|------------|------------|------------|------------|
| Management administration and ancillary staff <sup>(2)</sup> | 21         | 23         | 24         | 25         | 26         | 27         |
| Social work staff  | 22         | 26         | 27         | 28         | 29         | 30         |
| Home help service and other support staff                    | 48         | 59         | 62         | 63         | 63         | 63         |
| Staff in day care establishments                             | 20         | 26         | 27         | 28         | 29         | 29         |
| Staff in residential establishments for adults               | 56         | 67         | 69         | 70         | 71         | 71         |
| Staff in residential establishments for children             | 24         | 20         | 19         | 18         | 18         | 17         |
| All other staff  | 2          | 3          | 3          | 4          | 4          | 4          |
| <b>Total</b>   | <b>192</b> | <b>224</b> | <b>232</b> | <b>236</b> | <b>239</b> | <b>240</b> |

<sup>(1)</sup> Figures are as at 30 September in each year

<sup>(2)</sup> Ancillary staff include such staff only at HQ or area office

<sup>(3)</sup> Figures may not add exactly because of rounding

Departmental Administration

- 5.51 **Management Structures and Systems in the Department.** The reorganisation of the NHSME stemming from the 1991 Review of its functions and structure has been completed. New management arrangements for the paired medical and administrative divisions in the Department's policy group have also been implemented. These divisions now have shared work programmes with joint management accounts. The report of the review of medical posts in the senior open structure is under consideration. The boundary between the NHSME and the policy group has also been reexamined, resulting in the transfer of some operational policy work, primarily related to acute services, to the NHSME.
- 5.52 Mechanisms are in place for effective joint working between the NHSME in Leeds and the staff remaining in London, and these are under constant review. Central to success have been developments in the use of information technology. Alongside these the senior meetings structure has been reorganised and a Programme Management Group set up to oversee the use of joint task forces and other collaborative methods of working.
- 5.53 **Relocation.** The first two phases of relocation have been completed on time and with disruption minimised. Some 650 posts in the NHS Management Executive have already relocated from London. The final phase of the new building is on target for delivery on 5 February 1993 and plans are in place for relocation to be completed by the end of April 1993. The vast majority of posts moving to Leeds have been filled or have staff earmarked for them, and the redeployment of staff opting to stay in London continues at a steady and encouraging pace. The market testing of virtually all building, maintenance and office support services has been completed and contracts awarded. The contracts are managed by a private sector facilities management company. The business case is being updated and the Department continues to expect a significant return on the initial investment.
- 5.54 **London Accommodation Strategy.** During the course of 1993-94 the Department's London headquarters divisions and agencies - at present occupying over twenty buildings - will be concentrated into six core buildings in central London, so promoting business efficiency. As part of this strategy the Department has taken a new building at 80 London Road (Elephant and Castle), and the first phase of occupation has now started. Future accommodation requirements will be kept under constant review.
- 5.55 **Information Technology.** The Department's Office Information Strategy (OIS) will be fully implemented in Leeds by the end of April 1993 and across the Department by



December 1993. Alongside this priority will be given to developing effective OIS support to enable the Department's staff to make full use of the facilities available. Also in 1993, the major procurement contracts for IT goods and services will come under the new EC Services Directive.

- 5.56 **Energy Efficiency.** The Department took on responsibility for its own energy management in June 1990 as part of the managed untying from the Department of Social Security. It appointed its own energy manager and has developed an energy strategy in line with the Government initiative. Implementation of the London accommodation strategy is expected to make a substantial contribution to improving efficiency and effectiveness in the use of energy.
- 5.57 **Market Testing.** The Citizen's Charter programme aims to improve the quality of public services, including departmental services. One aspect of this initiative, announced in "Competing for Quality", was to improve efficiency, effectiveness and quality through the exposure of public sector functions to competition. The Department's initial market testing programme covers a range of functions, including internal audit, library services, catering services, some surveys and statistical support, office and building services in both London and Leeds, distribution services, internal consultancy and the welfare food programme. This amounts to just under 12 per cent of net departmental running costs and involves nearly 600 posts. The market testing process is expected to improve value for money, through higher quality or greater efficiency. These improvements will be monitored.
- 5.58 **Internal Charging.** The Department is also conducting a review of its internal services, to identify the scope for introducing internal charging. The first stage of the review concentrated on investigating the experience of public and private sector organisations who have introduced charging, to identify what lessons might be learned. Following this initial investigation, a staged approach to the introduction of internal charging - where this makes management sense - is being pursued. This combines action to improve the costing of all internal services, building on recent improvements to the Department's management accounting systems, and a pilot scheme to introduce internal charging for three services. The Department believes that introducing charging for certain services will improve value for money, by making internal customers more aware of the expenditure they incur, and by giving service managers a greater incentive to produce more efficient and cost effective services.
- 5.59 **Purchasing and Supply.** The Department has taken a number of steps to improve the value for money it achieves in purchasing. A detailed purchasing and supply manual has been issued to all staff involved in committing expenditure, and all purchases above £50,000 require an input from trained purchasing staff. An introduction to basic purchasing course was provided for fifty staff in 1991-92 and a similar number will receive training during 1992-93. This increased awareness has resulted in managers involving purchasers at an earlier stage with consequential improvements in performance. Trained purchasers are also supporting the market testing process.
- 5.60 **Taking Forward "Next Steps".** 1992-93 is the first full year of operation for the Medicines Control Agency, which was launched on 11 July 1991. Although not an executive agency, the Youth Treatment Service has operated as an executive unit of the Department since 1 April 1992, headed by a Chief Executive accountable to the Secretary of State. The NHS Pensions Agency was launched as an executive agency on 20 November 1992. The Chief Executive, who was recruited through open competition, took up post on 1 October 1992. The new Agency is currently working on its forward plans and will be publishing its business plan for 1993-94 in the New Year. Ministers will be agreeing the Agency's key targets for 1993-94, which will be published with the business plan. Further information on each of the Department's agencies, including targets, is given at **Annex G**.
- 5.61 In 1992, the Department undertook an options and feasibility study of the future management arrangements for its Medical Devices Directorate (MDD). The Directorate is

responsible for ensuring that medical devices and equipment for sale or use in the UK meet appropriate standards of safety, quality and effectiveness, and that they comply with relevant European Community directives. A decision on the future scope and status of MDD will be taken in the light of the study's conclusions.

- 5.62 **Staff Development and Performance Management.** The Department has made a substantial investment in training during the year, particularly management training. It is introducing a new objective-based staff appraisal system. An integral part of the system will be a personal development plan underpinned by a competence framework. This will enable individuals to develop appropriate skills and knowledge for different stages of their careers. New performance pay arrangements are being introduced in the Department in order to ensure that each year individuals' rewards reflect their performance.
- 5.63 **Equal Opportunities.** The Department is committed to equal opportunities. As part of its 1992-93 action plan it has begun work to improve monitoring of personnel management procedures and to determine realistic targets for moving towards a more balanced workforce. The Department has joined Opportunity 2000. An initiative has been introduced to provide clerical support for severely disabled staff to enable them to perform to the extent of their ability. A workplace nursery is being set up in the Department's new headquarters in Leeds.
- 5.64 **Other Value for Money Measures.** The Department is working to a 2 per cent efficiency target for 1992-93. The three year settlement on Running Costs achieved in the 1992 Public Expenditure Survey took account of efficiency gains of 2.2 per cent for 1991-92. The Department has also set up an internal scrutiny of the way it manages and funds the production and distribution of printing and publications. Action will be taken in 1993 to implement the recommendations of the scrutiny.

# OPCS

OFFICE OF POPULATION  
CENSUSES & SURVEYS

|   |    |
|---|----|
| 6. OPCS                                       | 71 |
| Aims, Objectives, Targets and Function        | 71 |
| Cash Plans, Running Costs and Staff Resources | 72 |
| Efficiency and Value for Money                | 75 |
| Quality of Service                            | 77 |
| Publications Programme                        | 78 |
| The Work of OPCS                              | 79 |



**Aims, Objectives, Targets and Functions**

- 6.1 OPCS is a separate Department. The Director and Registrar General for England and Wales (RG) is accountable directly to the Secretary of State for Health, except for some statutory functions for which he is accountable only in the Courts.
- 6.2 The key aims of OPCS are:
- to provide high quality demographic, social and medical information and analysis:
    - \* to enable the number and condition of the population to be monitored, and changes over time to be identified, and
    - \* as a basis for informed policy and decision making and for the effective planning and running of public and other services.
  - to administer the marriage laws and secure the provision of an efficient and effective system for the registration of events such as births, marriages and deaths (known as "key life" or "vital" events).
- 6.3 A subsidiary aim is to improve the comparability of national and international demographic and medical statistics.
- 6.4 The main functions undertaken by OPCS in pursuit of these aims and the main related objectives are:
- to devise and secure continuing improvements in the implementation of policies and procedures for registering key life events, such as births, marriages and deaths;
  - to devise effective and efficient methods of collecting, and to carry out the collection of, information from the public, in particular by taking the Census of Population in England and Wales as required by Parliament, by carrying out sample surveys in Great Britain, and by prescribing information to be collected by the Registration Service in England and Wales;
  - to provide timely population and health statistics through the collation, validation, analysis, and interpretation of information from various sources and agencies;
  - to communicate information effectively and efficiently by a variety of methods, but particularly through a regular publications programme;
  - to store data in a secure but retrievable form and to make information derived from them available to customers, whilst ensuring confidentiality;
  - to maintain and administer the NHS Central Register and other registers in such a way as to provide the service required by the customers;
  - to provide the best possible professional survey and statistical advice to Government and associated bodies.
- 6.5 Specific corporate objectives for the next four years are to:
- complete the output of data from the 1991 Census and begin planning the 2001 Census;
  - complete the redevelopment of the majority of the Offices's statistical systems by 1 April, 1995;
  - continue a process of corporate development by managing and developing staff to enable everyone to play their fullest part in the future of the Office;
  - continue development of the OPCS business by exploring both new markets and

existing customer requirements and making every effort to provide quality services, responsive to customer needs, generating additional income where possible;

- ensure that the Office does only what is necessary, and in the most cost effective way by examining critically all on-going work; and
- complete the move to Agency status for OPCS during 1993, subject to Ministerial approval.

### Other Functions Undertaken by OPCS

6.6 OPCS advises Ministers on primary legislation concerning registration and censuses, and on other legislative matters as appropriate. It also advises on demographic and epidemiological statistics and UK population policy. The Office provides staff, accommodation and secretariat services to the Parliamentary Boundary Commissions for England and Wales. These services are paid for by the Home Office.

6.7 OPCS also:

- supports, and participates in, medical research;
- runs a World Health Organisation collaborating centre for medical classifications;
- provides data for those publications the Central Statistical Office (CSO) produces on behalf of the Government Statistical Service as a whole;
- where practicable, co-ordinates demographic and medical information relating to the United Kingdom as a whole;
- advises the CSO on international issues which involve population statistics;
- assists the Government's Chief Medical Officer in monitoring the nation's health, in particular by providing key data, analysis and interpretation for the Chief Medical Officer's Annual Report;
- provides basic data for local public health reports.

### Cash Plans, Running Costs and Staff Resources

6.8 OPCS has about 2,000 staff on three main sites: London, Titchfield (near Fareham, Hampshire), and Southport, in eleven divisions. An organisation chart is at **Annex I**. **Figure 23** shows the proportion of staff in the various work areas, as at September 1992.

6.9 OPCS's annual gross budget is some £56 million, excluding the one-off impact of the 1991 Census (about £11 million in 1992-93). There are receipts of some £30 million, mainly from other public sector bodies and from sales of certificates and other registration products to the general public.

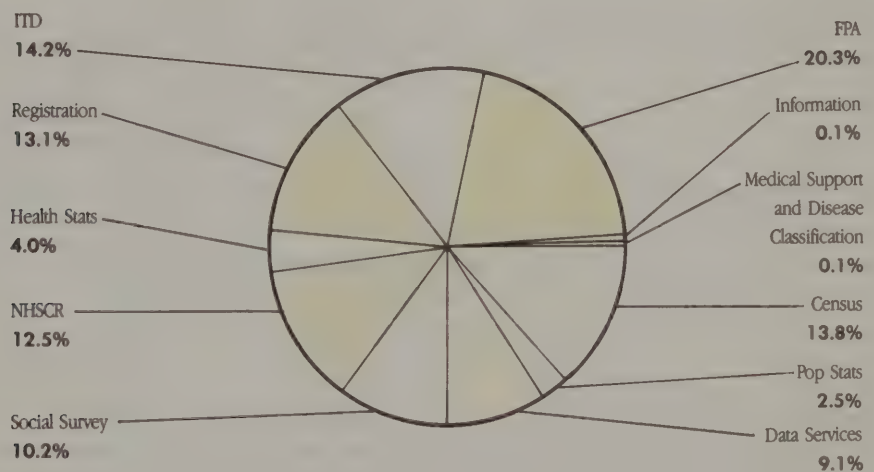
6.10 Expenditure is borne on Class XIII, Vote 6. OPCS finances fall into four distinct sections:

- **core work:** this is undertaken in pursuit of OPCS's statutory functions. In general it is carried out for Parliament, the Government, and for "the public good", and the number and variety of customers are generally too great to make it possible (even if it were desirable), to charge for it. This work is therefore largely financed directly by the Exchequer, although there are paying customers for some of it, eg. certificates of births, marriages and deaths.
- **1991 Census:** money for the 1991 Census is provided on a "ring-fenced" basis. Funds provided for the Census are not intended to be used for other OPCS activities. Some of the data from the Census are provided under Section 4(1) of the 1920 Census Act at prices which cover only the cost of copying. Other data are provided to

specific customers under Section 4(2) of the 1920 Census Act and for these items the basic production cost is recovered from the customer.

- **Social Survey net control:** most surveys are funded on the basis of net running cost control, allowing Social Survey Division to increase its current expenditure in response to increased demand, provided the increase is matched by additional income.
- **other customer financed work:** OPCS's other customer financed work is undertaken for specific customers on the basis that they pay the cost of providing the service. This work includes:
  - NHSCR, Hospital Episode Statistics, some other health statistics and, from 1 April 1993, OPCS support for the national cancer registration scheme (for Department of Health);
  - the Parliamentary Boundary Commissions' secretariat and support (for Home Office);
  - parts of NHSCR's work (for Welsh Office)

FIGURE 23 OPCS STAFF BY DIVISION (SEPTEMBER 1992) -



- 6.11 **Figure 24** illustrates the expenditure on, and income from, the four distinct groups of work currently undertaken by OPCS over the Survey period.
- 6.12 There is an annual round of business planning in the Office, with each Division completing stewardship reports on the prior year, detailed business plans for the Estimate year, and proposals for the forthcoming three years. These detailed reports are summarised into an Office business plan which is used to inform customers and staff. It is also used as the basis for an annual review of performance and plans with the Minister, acting on behalf of the Secretary of State.
- 6.13 Independent assessments of the Office's performance are given each year by the Chief Medical Officer, the head of the Central Statistical Office and the head of the Health Care Directorate.
- 6.14 A major influence on OPCS's business is the decennial Census of Population. This requires not only the recruitment and training of over 100,000 temporary field staff, but a substantial build-up and run-down of the number of Departmental staff working on the



census. This is not only a major exercise in its own right but also imposes major strains on the rest of the Office as other Divisions contribute experienced staff to the census. **Figure 25** shows the total number of Departmental staff (excluding census field staff and Social Survey interviewers) employed by OPCS over a ten year period, and the relative proportions of permanent and casual staff.

FIGURE 24 EXPENDITURE AND INCOME BY ACTIVITY.

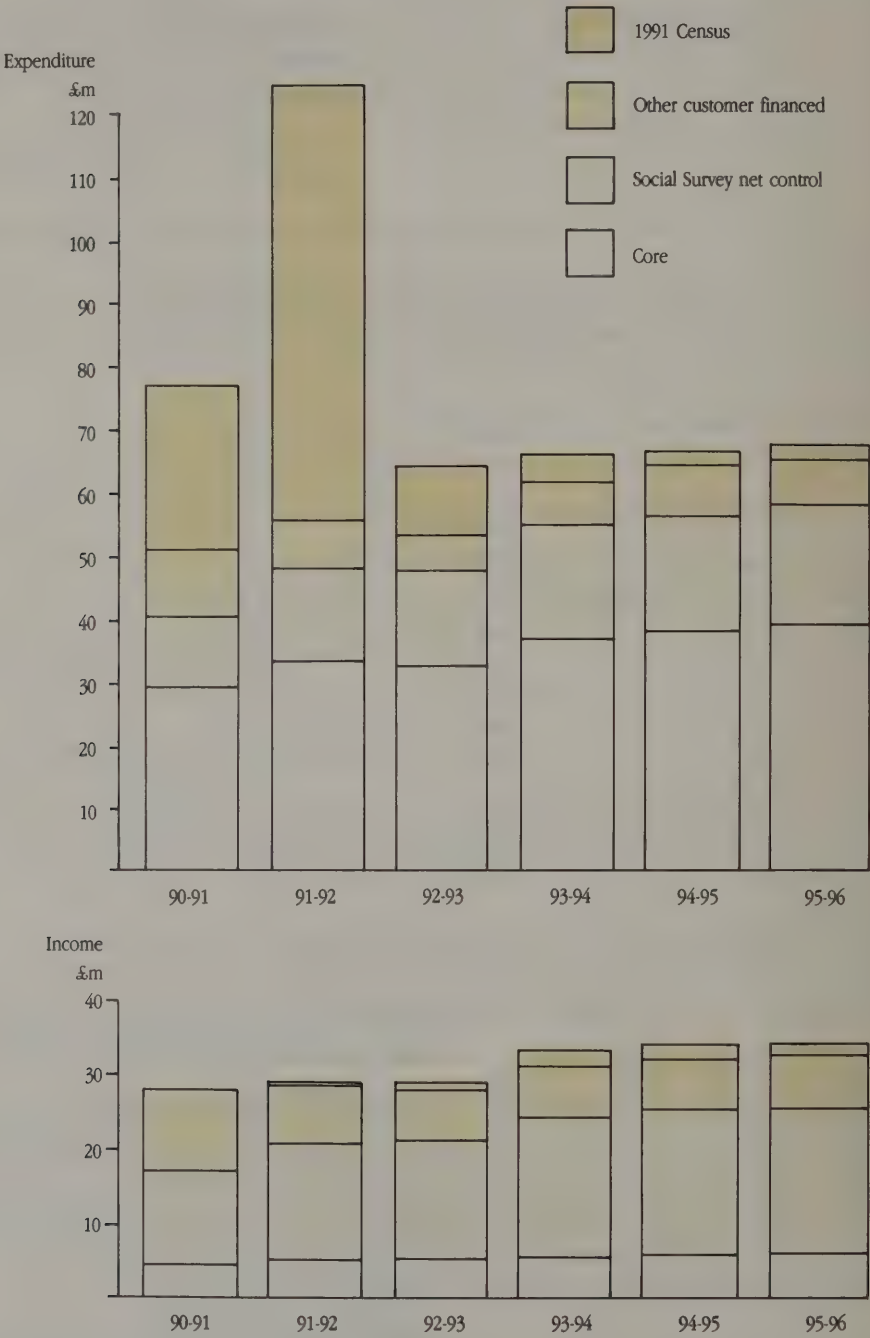
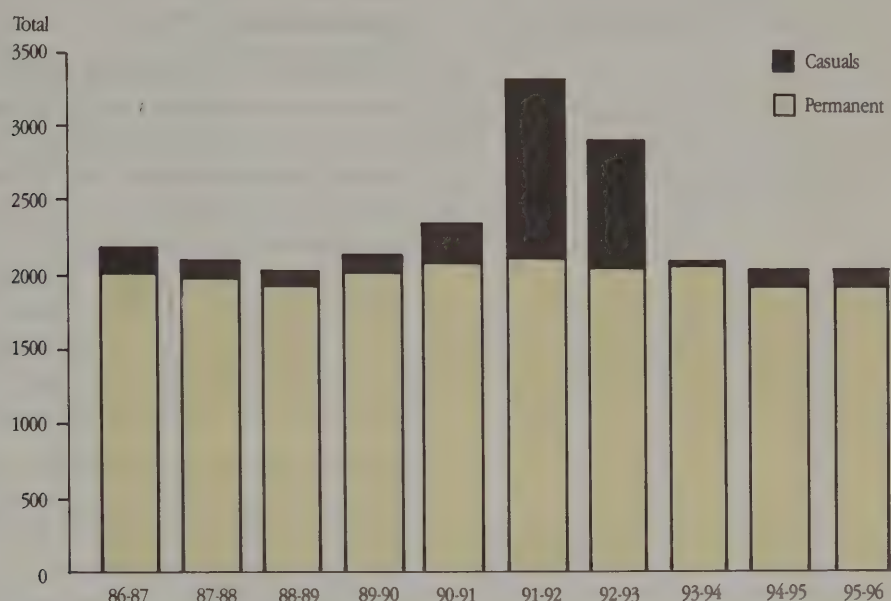


FIGURE 25 OPCS STAFFING



- 6.15 Running cost provisions have been agreed on the basis of business plans covering the Survey period.

#### Efficiency and Value for Money

- 6.16 Increasing value for money is both a public duty and a business imperative. In the case of OPCS the main contributory factors have already been identified - new technology, better systems, and products and services which better meet customers' needs in terms of relevance, quality, flexibility and timeliness. The Department will, however, continue to search for other ways to improve value for money, including further extending market testing.
- 6.17 Particular attention is being paid to improving performance management and assessment, including establishing performance indicators for each main business area. During 1992-93, the Office Management Board held a series of discussions with senior managers designed to improve performance management, both organisationally and individually.
- 6.18 Performance indicators for the main business areas are shown in the section on "The Work of OPCS" beginning at paragraph 6.33. There is still some way to go to establish a comprehensive range of indicators covering outputs as well as process, but as elsewhere in the Civil Service, some types of work are not readily susceptible to assessment by quantitative methods.
- 6.19 Over the last few years, OPCS has been seeking ways to increase value for money over a range of activities:
- **Computerisation of the NHS Central Register.** Conversion of NHSCR from manual to computerised operation was successfully completed in April 1991, saving some 260 posts. The new system is now fully bedded in, and service to customers has improved (see paragraph 6.69).
  - **Relocation of Registration Division to Southport.** The opportunity was taken to relocate 230 posts in Registration Division from London to Southport, providing alternative work for the staff who were no longer needed in NHSCR. The relocation was completed in October 1991, six months ahead of schedule. Since only 16 per

cent of staff accompanied the work, the move resulted in considerable temporary loss of expertise and efficiency in Registration Division. However, it is now beginning to pay off. Pre-relocation levels of efficiency will be restored in 1993-94, and further improvements are projected.

- **Information and statistical systems.** Since 1987 OPCS has been engaged on a radical overhaul of its information and statistical systems, designed to increase efficiency and to enable the Office to develop new products and to respond more quickly to changes in customers' needs. When the programme is complete, the new systems will provide more rapid access to the statistical data, and greater flexibility in the production of non-regular outputs. A £1.75 million investment programme in IT hardware and communications systems is now complete. The complete rewrite of the main statistical systems will be completed in 1995. (Internally, this programme of work is known as 'Events Redevelopment'.) Some savings have already been offered up but further savings in running costs should be possible. The Department should also be able to increase its income from customers.
- **Other developments in technology.** Several Divisions have introduced new IT systems, to increase efficiency and improve the service which they provide. Examples are computerisation of registration of births and deaths (see paragraph 6.38), automated coding of causes of death (paragraph 6.55) and computer-assisted interviewing (paragraph 6.63). The last two have been developed in collaboration with agencies in other countries (USA and Holland respectively). The automated coding system was well received at an international conference in Beijing in August 1992, and may become an international standard.
- **Corporate development.** To meet the challenges of changing markets and to take full advantage of the new systems, OPCS needs to develop its organisation, skills, management systems and methods. The Department has been engaged since 1990 on a major corporate development programme, with substantial staff participation. During 1992 four major reviews were concluded, with the help of consultants. These reviews, which built on work done by volunteer groups of staff, covered:
  - marketing and product development (see paragraph 6.21);
  - financial policy and systems;
  - personnel, management and internal communications; and
  - training.

The majority of recommendations have been accepted. The pace of implementation is constrained by resource availability, but priorities have been established and work is in hand in all areas.

In Autumn 1991, staff were consulted on a draft statement of corporate values. These have been revised in the light of comments and distributed throughout the department.

In April 1992, OPCS reorganised its three main statistical Divisions, including putting together into a single Division all the staff responsible for data handling. This Division is responsible for establishing and maintaining the main statistical databases.

6.20

Some of the developments shown in paragraph 6.19 are on-going and will continue to deliver benefits in the future. There are other changes expected during the next three years:

- A number of external changes will have implications for OPCS. For example, Local Government reorganisation will require the making of new schemes for local registration of births, deaths and marriages. OPCS also expects to be asked to



produce series of population statistics relating to the new authorities. Plans to issue a new series of NHS numbers will require substantial changes in NHSCR systems, and also in some of the Office's statistical systems. The accelerated timetable for the review of Parliamentary constituency boundaries has meant that more staff are needed in the Commissions' Secretariat.

- / Ministers have announced that there will not be a census of population in 1996, but preliminary work for a 2001 census has already started, on a small scale. Preparations will need to begin in earnest in 1994-95. A review of the Office's information systems strategy will be needed, even though OPCS will only just be completing implementation of the existing one.
- Some of the work done for other Departments is likely to be subjected to competition. The outcomes are unpredictable. Social Survey Division is already having to compete for a higher proportion of its business and this trend can be expected to continue. (So far, the Division has competed very successfully.)

### Quality of Service

- 6.21 OPCS has always sought to deliver what its customers want. Conscious that customers' needs were changing fast, the Department engaged marketing consultants in September 1991 to undertake a strategic review. Their report confirmed the need for improved marketing. As a result OPCS is improving and extending its arrangements for consulting customers, giving priority to the health sector. A cross-divisional group has been established to investigate future requirements for information within the NHS and to co-ordinate an OPCS response. In addition, Social Survey Division have developed a divisional marketing strategy, which will serve as a model for other business areas. All this is being done within existing resources.
- 6.22 A high customer priority has been to make OPCS statistics available in electronic as well as paper form. The investigations of the NHS Focus group mentioned above confirm this. During 1992 OPCS carried out three pilot exercises on issuing statistics on floppy discs (see paragraph 6.32). Feedback from customers has been very positive.
- 6.23 OPCS depends for much of its data on gaining the willing co-operation of members of the public and this demands in return prompt and courteous service. OPCS has long appreciated the need for staff training and for monitoring customer response and complaints. This was recognised in an internal review which found that the majority of proposals outlined in the Citizen's Charter involved improvements already in train. However, the initiative provided a further spur to action with particular attention focused on Registration Division which, together with the Social Survey interviewing force, has the greatest number of contacts with the general public.
- 6.24 Three issues were selected for central attention:
- handling of enquiries and complaints. Areas which deal with members of the public already have target response times. Openness and plain drafting are particular themes.
  - quality, presentation, and availability of literature describing functions, products, and services. Social Survey produced leaflets on the work of their division in Summer 1991, and in January 1992 OPCS published a leaflet giving an overview of the Department for the general public. Other leaflets will follow, both about OPCS as a whole and about individual businesses. The content and presentation of existing leaflets is being reviewed as they come up for re-printing.
  - name badges for staff. Social Survey interviewers already routinely present identity cards. Staff working in the Public Search Room, and other areas where there is regular contact with the public are now wearing name badges.

- 6.25 Quality of service will continue to be a major OPCS objective. It is written into corporate values, and into divisional business plans and their associated objectives and performance indicators.

### Publications Programme

- 6.26 One of OPCS's most important products is a major programme of publications. Some of these appear at regular intervals, others are ad hoc. OPCS announces the dates of its publications through the Central Statistical Office's monthly list of Publication Dates of Selected Social Statistics.
- 6.27 Timeliness of publications has been a problem, and neither OPCS nor its customers are yet satisfied. Performance is, however, improving (see paragraph 6.29) and OPCS will continue its efforts. One target is to publish all Annual Reference Volumes (except those reliant on data sources outside OPCS's control) within 12 months of the end of the period to which the data refer (see **Table 30**). However, it will not be possible for the Department to meet this target until the routine statistical work has been transferred to the new IT environment (see paragraph 6.19).

TABLE 30

**AVERAGE TIME LAPSE IN PUBLISHING ANNUAL REFERENCE VOLUMES AND ROUTINE QUARTERLY AND ANNUAL MONITORS.**

|                    | MONTHS                                    |      |      |      |      |                     |
|--------------------|---|------|------|------|------|---------------------|
|                    | Year to which data relates <sup>(1)</sup> |      |      |      |      |                     |
|                    | 1986                                      | 1987 | 1988 | 1989 | 1990 | 1991                |
| Reference Volumes: | 22.3                                      | 19.6 | 19.3 | 17.1 | 16.1 | 13.1 <sup>(2)</sup> |
|                    | (15)                                      | (16) | (16) | (17) | (16) | (16)                |
| of which:          | 17.7                                      | 18.0 | 16.7 | 15.3 | 16.3 | 14.3                |
| Statutory volumes  | (3)                                       | (3)  | (3)  | (3)  | (3)  | (3)                 |
| Monitors           | 9.7                                       | 8.3  | 7.9  | 8.1  | 8.6  | 8.1 <sup>(2)</sup>  |
|                    | (22)                                      | (23) | (23) | (23) | (23) | (23)                |

<sup>(1)</sup> For ease of comparison, figures relate to data period covered rather than the financial year in which the ideal publication target falls. Figures in parentheses indicate the number of publications.

<sup>(2)</sup> Planned: fifteen Volumes yet to be published.

<sup>(3)</sup> All but one Monitor published.

- 6.28 The Office's final publications programme in 1991-92 consisted of 144 publications. Full details are given at **Annex J**. As in previous years, certain of the original targets were provisional, notably for ad hoc reports requiring in-depth analysis and interpretation.
- 6.29 OPCS's overall performance on non-census publications (89 titles) matched that of the previous year (91 titles): three quarters of the planned titles were published. Of the titles published, almost half (49 per cent) were issued to the original target, compared with 43 per cent in 1990-91 (see **Table 31**). Also, for Annual Reference Volumes, the average interval between the end of the data period and publication improved markedly, from 17.1 months for volumes relating to 1989, to 16.1 for those relating to 1990 (see **Table 30**).
- 6.30 All four issues of Population Trends were published on time.

TABLE 31

**PUBLICATION ACHIEVEMENTS IN 1991-92**

|                   | No. of titles in programme | Published (No.) | Percentage of which      |                                      | Not published (No.) | Cancelled (No.) |
|-------------------|----------------------------|-----------------|--------------------------|--------------------------------------|---------------------|-----------------|
|                   |                            |                 | On target <sup>(1)</sup> | 2 months or more late <sup>(2)</sup> |                     |                 |
| OPCS Monitors     | 37                         | 31              | 58                       | 26                                   | 2                   | 4               |
| Reference Volumes | 30                         | 21              | 33                       | 43                                   | 9                   | -               |
| Ad Hoc reports    | 19                         | 13              | 31                       | 62                                   | 6                   | -               |
| Population Trends | 4                          | 4               | 75                       | 25                                   | -                   | -               |
| <b>Total</b>      | <b>90</b>                  | <b>69</b>       | <b>56</b>                | <b>42</b>                            | <b>17</b>           | <b>4</b>        |

<sup>(1)</sup> As at April 1991. Targets for Ad Hoc reports are subject to revision according to the complexity of the analysis and, in the case of Social Survey reports, the needs of the client department.

- 6.31 Revenue from publication sales (largely OPCS Monitors) rose in 1991-92, mainly because of the added revenue from 1991 Census County Monitors (see **Table 32**). Despite a small increase in revenue from non-census Monitors, the target of 1,300 subscribers to these services (compared with 1,200 in 1990-91) was not achieved.

TABLE 32 REVENUE FROM PUBLICATION SALES.

|   | 1990-91       | 1991-92       |
|---|---------------|---------------|
| Subscriptions and standing orders for OPCS Monitors | 19,500        | 21,000        |
| Ad Hoc Sales  | 2,300         | 1,800         |
| <b>Total</b>  | <b>21,800</b> | <b>22,800</b> |
| 1991 Census Monitors                                | -             | 15,900        |
| <b>Grand total</b>                                  | <b>21,800</b> | <b>38,700</b> |

£

OPCS presently receives no revenue from HMSO from the sales of reference volumes and other books published through HMSO; details of these sales are therefore not shown here,

- 6.32 The Office has recognised the need for more customer choice over the type of media used for distributing OPCS published statistics. Accessibility to data via electronic media is increasingly useful to customers. Consequently, OPCS has set in train a project aimed at producing routinely published tables on floppy disk. A series of pilots is planned for 1992-93 to seek customers' views on some experimental floppy disk products and to get an indication of the level of interest in this form of output.

### The Work of OPCS Registration

- 6.33 The Division's functions are to administer the law on marriage; to control the registration of all births, still-births, deaths, and marriages in England and Wales; to secure a central record of events registered, and to provide certified copies of extracts from the central record.
- 6.34 Although the Government has reaffirmed its intention to implement the proposals in the White Paper "Registration: proposals for change" (Cmd 939), time has still to be found in the Parliamentary timetable to accommodate the necessary legislation. The Local Government Commission has begun its work of reviewing the organisation of the structure of local authorities under the terms of the Local Government Act 1992 and this could result in a significant reorganisation of the local registration service. Additional resources will be required within the Division to draw up new Registration Schemes for the Secretary(s) of State's approval.
- 6.35 The loss of efficiency which followed relocation has largely been recovered within a year of the move. However, the redevelopment of Events systems in OPCS will mean a further short term loss of efficiency while customer testing and the running of dual systems are carried out in 1993-94.
- 6.36 As a consequence of the implementation of the Still-birth (Definitions) Act 1992 on 1 October 1992, revised instructions were circulated to registrars of births and deaths and new books of medical certificates of still-birth were issued to all doctors and midwives throughout England and Wales. Agreement has been reached with coroners and the Home Office about the revision of forms used in connection with the certification and registration of deaths. The new forms will enable coroners to work more efficiently by using computers for completing the forms. The end product will also assist OPCS with its Events Redevelopment programme.
- 6.37 Numbers of births outside marriage continue to rise and now stand at 30.2 per cent of total births. This is reflected in the increased workload of Corrections and Re-Registrations Sections (see **Table 33**).



TABLE 33

## WORKLOAD IN CORRECTIONS AND RE-REGISTRATIONS

|   | 1989-90 | 1990-91 | 1991-92<br>Outturn<br>(2) | 1992-93<br>Forecast<br>(3) | 1993-94<br>Forecast<br>(3) | 1994-95<br>Forecast<br>(4) | 1995-96<br>Forecast<br>(4) |
|---|---------|---------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Number of new cases dealt with              | 24,942  | 25,513  | 23,570                    | 25,320                     | 27,890                     | 28,925                     | 30,370                     |
| Percentage increase over previous<br>year   | 27.2    | 2.4     | -7.6                      | 7.4                        | 10.1                       | 3.7                        | 5                          |
| Number of staff                             | 42      | 42      | 42                        | 42.5                       | 45                         | 45                         | 45                         |
| Cases dealt with per member of<br>staff     | 593     | 607     | 561                       | 595                        | 620                        | 643                        | 675                        |
| Percentage increase over the year           | 11.9    | 2.4     | -7.6                      | 6                          | 4.2                        | 3.7                        | 5                          |
| Average turnaround time (weeks):            |         |         |                           |                            |                            |                            |                            |
| Corrections                                 | 4       | 4       | 10                        | 8                          | 6                          | 4                          | 4                          |
| Re-registrations(1)                         | 9       | 2       | 2                         | 2                          | 2                          | 2                          | 2                          |
| Cost of processing each case (£)<br>(see 5) | 20.06   | 21.07   | 21.41                     | 19.84                      | 20.19                      | 20.49                      | 20.44                      |

(1) Plans for future years would be affected if new legislation was introduced enabling many re-registrations to be dealt with by local registration officers.

(2) The relocation of Corrections Section to Southport with loss of 90 per cent of experienced staff resulted in a drop of efficiency. Transfer of work connected with examinations of registrars' returns moves to Corrections from October 1992 together with AO resource.

(3) Computerisation of the birth and death systems in OPCS is likely to improve identification of errors centrally. An initial peak will occur as a 6 month backlog is cleared.

(4) Erratic nature of public demand makes forecasting workload difficult; but the growing number of births outside marriage is likely to result in a steady increase in re-registrations.

(5) Salaries uprated by forecast pay inflation factors for the PES years.

- 6.38 The target of computerising the registration of 50 per cent of all births and deaths by 31 March 1992 was achieved. The next target is to capture 65 per cent of all such registrations on computer by 31 March 1993 and good progress is being made.
- 6.39 By statute, OPCS must provide facilities for members of the public to obtain certified copies of entries in birth, death and marriage registers. The Public Search Room is situated in St Catherine's House in central London. Accommodation is limited and is frequently crowded. A public suggestions box has been introduced into the Search Room to gather customer views. Over 99 per cent of Search Room certificates are available for collection or are despatched within the published 96 hour turnaround target.
- 6.40 The full cost of producing certificates is recovered in fees. The new priority certificate application service introduced last year has been a success. The service, which is self-financing, dealt with 7,200 applications in the first 12 months. Increasing demands continue to be made on certificate production as a whole (see Table 34). General telephone enquiries (c. 75,000 pa) about the certificate services were transferred to the Southport location in June 1992.

TABLE 34

## CERTIFICATE PRODUCTION - PUBLIC SEARCH ROOM AND POSTAL APPLICATIONS

|                                  | 1990-91<br>(actual) | 1991-92<br>(actual) | 1992-93<br>(forecast) | 1993-94<br>(forecast) | 1994-95<br>(forecast) | 1995-96<br>(forecast) |
|----------------------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Applications (Nos)               | 360,200             | 384,775             | 395,000               | 405,500               | 416,500               | 427,500               |
| % Increase over previous year    | 2.0                 | 6.8                 | 2.7                   | 2.7                   | 2.7                   | 2.6                   |
| Number of staff                  | 132                 | 140                 | 136                   | 136                   | 136                   | 136                   |
| Applications per member of staff | 2,729               | 2,748               | 2,904                 | 2,982                 | 3,062                 | 3,143                 |
| *Unit costs (£)                  | 4.23                | 4.15                | 4.2                   | 4.16                  | 4.25                  | 4.3                   |
| Income (£000s)                   | 2,353               | 2,583               | 2,701                 | 2,774                 | 2,849                 | 2,924                 |
| *Gross running costs only        |                     |                     |                       |                       |                       |                       |

- 6.41 The division is investigating the feasibility of introducing 'luxury' birth and marriage certificates for applicants seeking a commemorative certificate for special occasions, such as 18th birthdays or golden weddings. The Division is also looking into the feasibility of asking postal applicants for certificates for their view on the standard of service provided, and the clarity and comprehensiveness of information available.

### Census of Population

- 6.42 The decennial census of population was conducted on 21 April 1991. Processing of the 20 million forms collected in England and Wales was undertaken mainly at a special office in Glasgow, established jointly with the Scottish Census Office.
- 6.43 Work continues on the processing of data, county by county, and on the publication of results. The first and largest task was to code and key the data to two databases on the census computer: one containing the data from all forms on the "easy to code" Census questions (most of them) and the other containing the data from the "hard to code" questions. This task was completed to time and within budget, but while it was under way a routine quality audit revealed a problem. An estimated 400,000 people, who had given a particular combination of inconsistent answers, were being incorrectly classified as students. Corrective measures were quickly put in hand but this problem delayed the production of all Census results. However, by replanning the work and making use of the available computer time, the most important deadline of the year was met. Census population data for all local areas were ready in time to be used to produce re-based population estimates which, in turn, were to be used in resource allocations to local and health authorities for 1993-94.
- 6.44 Everything possible is being done to minimise delays, but the publication timetable has, perforce, been revised. The publication of Part 1 of the County Reports (containing data on the "easy to code" questions) for all counties is expected to be completed four months behind the originally planned date. Other parts of the programme are now scheduled for completion between three and five months later than originally planned. OPCS aims to complete publication of all the main reports by April 1994. The timetable for the new Census products is shown in Table 35.

TABLE 35 TIMETABLE FOR THE NEW CENSUS PRODUCTS

| Product  | Planned availability date        |
|--|----------------------------------|
| <b>County Monitors</b>   |                                  |
| All counties   | By September 1992 <sup>(1)</sup> |
| <b>Machine readable local statistics for each county, Part 1</b> |                                  |
| First 48 counties  | By November 1992 <sup>(1)</sup>  |
| Remaining counties   | By December 1992                 |
| <b>County Reports, Part 1</b>                                    |                                  |
| First 20 counties  | By November 1992 <sup>(1)</sup>  |
| Remaining counties   | By February 1993                 |
| <b>Machine readable local statistics for each county, Part 2</b> |                                  |
| All counties   | By April 1993                    |
| <b>County Reports, Part 2</b>                                    |                                  |
| All counties   | By June 1993                     |
| <b>Topic Report series (33 volumes)</b>                          |                                  |
| First volume   | January 1993                     |
| Last volume  | April 1994                       |

<sup>(1)</sup> Actual availability date

- 6.45 Demographic checks and a post-enumeration survey have been carried out to assess the coverage achieved in the census. The evidence indicates that 98 per cent of the resident population was counted, a lower rate than in the previous census but comparable with censuses in other developed countries.

- 6.46 Expenditure over the full 10-year period from 1986-87 to 1995-96 is estimated to be £117 million. Public expenditure provision for the Census is shown in **Table 36**.

**TABLE 36 EXPENDITURE ON THE 1991 CENSUS OF POPULATION (ENGLAND AND WALES) £ MILLION**

|                       | 1989-90<br>Outturn | 1990-91<br>Outturn | 1991-92<br>Outturn | 1992-93<br>Forecast<br>Outturn | 1993-94<br>Plans | 1994-95<br>Plans | 1995-96<br>Plans |
|-----------------------|--------------------|--------------------|--------------------|--------------------------------|------------------|------------------|------------------|
| Expenditure of which: | 7.4                | 23.9               | 65.0               | 9.8                            | 3.5              | 1.9              | 1.0              |
| (a) Data collection   | 3.1                | 13.4               | 43.8               | -                              | -                | -                | -                |
| (b) Data processing   | 4.3                | 10.5               | 21.2               | 9.8                            | 3.5              | 1.9              | 1.0              |

- 6.47 In consultation with users, a major review has been carried out into the likely needs for census-type information in the next century and the ways in which it might be provided. Users expressed general satisfaction with the traditional form of census as a primary data source, although many expressed a wish for more frequent information. It has been decided that the OPCS census development programme through the 1990s will aim to develop improved methods of collecting and disseminating data within a broadly traditional format. This will take into account comments from users and will include an examination of possible supplementary data sources. The Government has announced that planning will proceed on the assumption the next Census will be held in 2001.

#### Population and Health Statistics

- 6.48 Over 10 per cent of OPCS resources are devoted to the production of basic population and medical statistical information to meet the needs of both the public and private sectors, Parliament, and the general public. The information includes population estimates and projections; migration statistics; trends in fertility, marriage, divorce, and remarriage; the size and composition of ethnic minority groups; statistics on mortality, cancer, infectious diseases, congenital malformations, and abortions; and statistics from hospitals and general practice. OPCS data are used in distributing major blocks of government expenditure. In particular, population estimates and projections are a crucial component in the allocation of central government funds to both local and health authorities.
- 6.49 Revised population estimates for 1991, using the first available results from the 1991 Census were produced during September 1992 to meet Department of Environment and Department of Health deadlines. A final set, using more detailed Census results, will be available by end May 1993. A new set of national population projections, based on the provisional 1991 population estimates, will be prepared by the Government Actuary in consultation with the Registrar General. The projections will be published early in 1993.
- 6.50 Each population census provides a starting point for a new series of annual population estimates. Performance indicators of the cumulative deterioration over a decade in the accuracy of the statistics can now be derived. This is done by comparing the 1991 figures from the old series, which have been carried forward from the previous census, with the new series based on the 1991 Census. For the 'all ages' total populations of the 403 local authority districts the results were as shown in **Table 37**.

**TABLE 37 RESULTS FOR 'ALL AGES' TOTAL POPULATIONS OF THE 403 LOCAL AUTHORITY DISTRICTS.**

| Difference from new series | Local Authority districts of England and Wales |                       |            |                    |
|----------------------------|--|-----------------------|------------|--------------------|
|                            | Apparent underestimate                         | Apparent overestimate | Total      | % of all districts |
| 10% or more                | 1  | 3                     | 4          | 1.0                |
| 5% up to 10%               | 19   | 15                    | 34         | 8.4                |
| 2.5% up to 5%              | 63   | 49                    | 112        | 27.8               |
| less than 2.5%             | 131  | 122                   | 253        | 62.8               |
| <b>Total</b>               | <b>214</b>                                     | <b>189</b>            | <b>403</b> | <b>100</b>         |



- 6.51 The errors shown in the above table are largely the cumulative effect over ten years of the deficiencies in the data available to make the estimates. The deficiencies are particularly great for internal migration - so the smaller the area, the greater the errors are likely to be because the amount of internal migration is larger. For similar reasons the errors for age groups would tend to be larger. These cumulative errors over the 1981-1991 decade are similar in size to those for the preceding, 1971-81, decade. This is not surprising because the sources of data that are available - and their quality - are the determining factors; and there has been little change in these sources over the past twenty years.
- 6.52 Users can best assess the consequences to them of these data deficiencies. Substantial improvements in the estimates could be achieved only by holding a mid-term Census or by finding new sources of migration data. A review of such data has been carried out; the most likely way a substantial improvement could be achieved would be to make use of the information held by Family Health Services Authorities (FHSAs). The assistance of DH in securing access to these sources is being sought but there are technical and confidentiality issues to be overcome.
- 6.53 **Table 38** shows the historical and projected annual numbers of vital events. The number of vital events, and the routine workloads related to them, are expected to show only marginal changes over the next few years.

**TABLE 38 CHANGES IN NUMBER OF VITAL EVENTS. THOUSANDS**

| Event                              | 1980 | Actual |                    | 1990               | 1991               | Projected          |                    | 1994               | 1995               |
|------------------------------------|------|--------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                    |      | 1985   | 1989               |                    |                    | 1992               | 1993               |                    |                    |
| Births (per year)                  | 656  | 656    | 688                | 706                | 699                | 714                | 717                | 719                | 719                |
| Deaths (per year)                  | 581  | 591    | 577                | 565                | 568                | 567                | 565                | 563                | 562                |
| Marriages (per year)               | 370  | 347    | 347                | 331                | 307                | (1)                | (1)                | (1)                | 300                |
| Divorces (per year)                | 148  | 160    | 151                | 153                | 159                | (1)                | (1)                | (1)                | 161                |
| Abortions (per year)               | 161  | 172    | 184                | 187                | 180                | 180                | 180                | 180                | 180                |
| New cancer registrations           | 202  | 221    | 265 <sup>(2)</sup> | 270 <sup>(2)</sup> | 275 <sup>(2)</sup> | 280 <sup>(2)</sup> | 280 <sup>(2)</sup> | 280 <sup>(2)</sup> | 280 <sup>(2)</sup> |
| Cancer deaths to cancer registries | (1)  | 155    | 157                | 154                | 155                | 155                | 155                | 155                | 155                |
| Copies of entries                  | (1)  | (1)    | 101                | 118                | 92 <sup>(3)</sup>  | 94 <sup>(3)</sup>  | (1)                | (1)                | (1)                |

(1) Not available

(2) Estimated figures only

(3) Effect of NHSCR computerisation

- 6.54 It will not be possible to operate existing systems for processing the births and deaths registrations for 1993 at the same time as OPCS is developing new computing systems. Priority will be given to the new system development because of the long term benefits that this will bring. However, this will affect the availability of a range of outputs on mortality, births, still-births for the 1993 datayear. Work is in hand to provide detailed timetables, and there will be a comprehensive programme to keep customers informed of changes in the availability of outputs.
- 6.55 OPCS is also developing new systems for automating labour intensive clerical processes. For example, a pilot scheme for the automatic coding of cause of death has been successfully trialled and a production system has been commissioned. Implementation is scheduled for 1993. This involves co-operation with the National Center for Health Statistics in the USA and a British commercial software company.
- 6.56 Alongside technological changes, OPCS is taking the opportunity to review customers' future data requirements and to identify and evaluate alternative ways of meeting these. Examples include formal reviews of migration sources (see paragraph 6.52), support for medical research, and central work in relation to cancer registration.
- 6.57 OPCS operates the Hospital Episode Statistics system on a repayment basis for the Department of Health. The Department has indicated that HES will be market tested in 1993, and OPCS will be tendering for this work.

## Social Survey

- 6.58 OPCS's Social Survey Division conducts surveys for the public sector, mainly Government Departments. It also provides an advisory service. It has a high reputation for technical standards and the quality and reliability of its data.
- 6.59 Most of the Division operates under net running cost control and the full cost of most surveys carried out by it are met by the commissioning bodies. The main exception to the net running cost regime is the General Household Survey, which has a multiplicity of customers, where most of the costs are met by OPCS within its gross running cost provision.
- 6.60 About 80 per cent of the estimated 1992-93 expenditure of £23.1 million will be spent on 9 major continuous surveys. These surveys are important for policy purposes (see **Figure 26**). The remainder will be spent on some 20 ad hoc surveys and on survey methodology and consultancy work.

**FIGURE 26 SOCIAL SURVEY CONTINUOUS SURVEYS**

|                |   |   |
|----------------|---|---|
| <b>FES</b>     | <b>Family Expenditure Survey (FES)</b> - about 7 thousand household interviewed a year.   | Provides weights for calculating the Retail Price Index and is widely used for assessing the effects of changes in taxes and benefits on different groups within the population |
| <b>GHS</b>     | <b>General Household Survey (GHS)</b> - about 10 thousand households interviewed a year   |   |
| <b>LFS</b>     | <b>Labour Force Survey (LFS)</b> - 60 thousand household interviewed a quarter  | Enabled ED to publish the first of a new Quarterly Bulletin on the labour force in September 1992   |
| <b>IPS</b>     | <b>International Passenger Survey (IPS)</b> - about 180 thousand passengers interviewed a year  |   |
| <b>NTS</b>     | <b>National Travel Survey</b> - about 4 thousand households interviewed a year.   |   |
| <b>Omnibus</b> | About 2000 people interviewed each month  |   |
| <b>FRS</b>     | <b>Family Resources Survey</b> - about 25 thousand households interviewed a year  | Study of household and individual income carried out on behalf of the Department of Social Security. Started in October 1992  |
| <b>Health</b>  | <b>Health Survey for England</b> - about 17 thousand people interviewed a year  | Started in October 1992   |
| <b>SEH</b>     | <b>Survey of English Housing</b> - preparatory work for the main field work which will start in April 1993 to interview about 20 thousand households a year | Will be carried out for the Department of the Environment   |

- 6.61 An increasing amount of the Division's work is commissioned through competitive tender and in 1991-92 successful competitive bids were made for two new major continuous surveys. A joint bid, with Social and Community Planning Research (SCPR), was made for the FRS, which started in October 1992. The SEH will start in April 1993.

- 6.62 During 1992-93 customers will benefit from increases in productivity planned to be worth about £160,000. These will be additional to substantial increases in previous years and will mean that, over a three year period, efficiency gains will have averaged about 2 per cent a year of the net control budget.
- 6.63 For the future, there are plans to improve productivity and data quality further, especially in data collection procedures, by the increased use of computer assisted interviewing techniques. The Division pioneered these techniques in this country for complex government survey enquiries, and has established a strong international reputation for this work. Computer assisted interviewing was introduced on the LFS in 1990. The new FRS and SEH will be carried out this way and trials are already in progress to develop such systems for the FES. As a result of this success, the Division plans to base its use of information technology on micro-computer technology allied with specialised proprietary survey software, giving maximum flexibility at minimum cost.
- 6.64 By the start of 1992-93, the Division had developed a marketing strategy to guide its business planning.
- 6.65 In 1991-92 most work was completed to time or ahead of time. Sixteen reports and bulletins were published (see **Annex J**). For a number of years, the Division has routinely invited customers to say what they think of the services provided. This is done at the time of delivery of the main survey outputs and the replies are used to help SSD improve its performance in meeting customer needs in the future. As in previous years, the great majority of replies to these customer satisfaction enquiries indicated an encouragingly high level of satisfaction with the quality of the work and the level of service provided, though the replies also contained useful points of constructive criticism.
- 6.66 For the first time, the Division monitored the level of public complaints, by letter or by telephone, to its enquiries. Out of approximately 250,000 households approached, there were 57 complaints (0.02 per cent). The aim is to reply substantively to complaints within 7 days of receipt. In 1991-92, 70 per cent were dealt with within 7 days and a further 21 per cent within the second week.
- 6.67 One of the most important and easily measured indicators of quality and performance is response rates. During 1991-92 these held up well, despite continued pressure on the field force arising from the increased volume of business, and for most surveys were slightly higher than the year before. **Table 39** shows the rates achieved in 1991 compared with the previous 2 years, for 6 continuous surveys, and the targets for 1992.

**TABLE 39** **CONTINUOUS SURVEY RESPONSE RATES** **PER CENT**

|                    | 1989 | Achieved<br>1990 | 1991 | Target<br>1992 | Minimum<br>1992 |
|--------------------|------|------------------|------|----------------|-----------------|
| GHS <sup>(1)</sup> | 84   | 82               | 83   | 83             | 80              |
| FES                | 73   | 69               | 70   | 70             | 68              |
| NTS                | 82   | 80               | 80   | 80             | 77              |
| LFS (annual)       | 84   | 83               | 84   | (2)            | (2)             |
| IPS                | 84   | 84               | 85   | 84             | 81              |
| Omnibus            | -    | 80               | 80   | 80             | 75              |

<sup>(1)</sup> GHS response figures are based on financial years

<sup>(2)</sup> Not yet determined

#### **National Health Service Central Register**

- 6.68 The National Health Service Central Register compiles and maintains on behalf of the Department of Health and the Welsh Office a central register of those patients registered with a NHS general practitioner. NHSCR supports the FHSAs in maintaining accurate lists of patients as a basis for the per capita payment made to doctors. The register is also used to support research projects approved by the Chief Medical Statistician of OPCS.



- 6.69 The computerised system brought into operation in April 1991 is providing all the expected benefits of a more efficient service to FHSAs, and a more easily accessible database of NHS patients. The most significant effect of computerisation has been that the time taken to notify FHSAs of patient transfers has been reduced from 4-6 weeks in the clerical system to between 2-5 working days. The backlog of work which accumulated while the new system was put in place has been cleared, and the capture of data relating to over 400 medical research studies has been successfully completed. Reduced resources have meant that progress on dealing with the queries arising from the switch to the computer system has been slower than expected but the majority will be resolved by the end of 1992-93.
- 6.70 Looking to the future, computerisation has enhanced the ability to widen services to the NHS. A survey of NHS Administration units is in hand to identify needs and how to service them. A major project is under way to introduce a new format NHS number to all existing and future patients which will be the standard unique patient identifier throughout the NHS. OPCS is also co-operating with the Department of Health on the pilot introduction of NHS Administrative Registers.
- 6.71 Performance indicators are shown in **Table 40**. The number of transactions received in the first year of the computerised system was higher than forecast. The start of 1992-93 has seen a continuation of that trend. Information system initiatives within the NHS appear to have added to the historical level of activity between FHSAs and NHSCR.

TABLE 40 NHSCR PERFORMANCE MEASURES

|  | 1988-89 | 1989-90 | 1990-91 | 1991-92              | 1992-93            |
|--|---------|---------|---------|----------------------|--------------------|
| New records received (thousands)           | 6,514   | 6,393   | 6,142   | 8,632 <sup>(2)</sup> | 6,600              |
| Records processed - total (thousands)      | 6,294   | 6,550   | 5,581   | 8,762 <sup>(1)</sup> | 7,300              |
| End of year balance                        | 530     | 373     | 934     | 804 <sup>(2)</sup>   | 100 <sup>(2)</sup> |
| Unit cost of work processed                | (3)     | (3)     | (3)     | 51p                  | 50p                |
| FHSA Network transactions (000s)           | (3)     | (3)     | (3)     | 4,744                | 4,700              |
| Percentage matched automatically by system | (3)     | (3)     | (3)     | 73%                  | 75%                |

<sup>(1)</sup> Includes transactions stockpiled prior to implementation of computer system and queries generated during implementation.

<sup>(2)</sup> Excludes FHSA cancellations and secondary download queries.

<sup>(3)</sup> Not applicable

**ANNEXES    General**

- A.    Cash Plans Table
- B.    UK Health Spending

**Department of Health**

- C.    Allocation of Ministerial Responsibilities
- D.    Organisation of the Department of Health
- E.    Organisation of the National Health Service
- F.    | The Secretary of State's Statement of Priorities and Key Challenges for the  
Department of Health for 1992-93 to 1995-96, with notes on achievement.
- G.    Executive Agencies of the Department of Health
- H.    Third Wave NHS Trusts

**Office of Population Censuses and Surveys**

- I.    Organisation of the Office of Population Censuses and Surveys
- J.    OPCS Publication Programme 1991-92





## ANNEX A

## CASH PLANS

£MILLION

|   | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>outturn | 1992-93<br>estimated<br>outturn | 1993-94<br>plans | 1994-95<br>plans | 1995-96<br>plans |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|------------------|
| <b>Department of Health</b>                         |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>Central government expenditure</b>               |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>Health Services</b>                              |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>Voted in Estimates</b>                           |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>National Health Service</b>                      |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>hospital, community health,</b>                  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>family health (cash limited)</b>                 |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>and related services<sup>(1)(2)</sup></b>        |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure                                 | 11,628             | 12,901             | 13,801             | 15,551             | 18,103             | 20,007                          | 20,772           | 21,834           | 22,595           |
| Capital expenditure <sup>(3)</sup>                  | 902                | 914                | 1,191              | 1,375              | 1,219              | 1,216                           | 1,044            | 720              | 749              |
| <b>Total</b>  | <b>12,530</b>      | <b>13,815</b>      | <b>15,000</b>      | <b>16,926</b>      | <b>19,322</b>      | <b>21,223</b>                   | <b>21,815</b>    | <b>22,554</b>    | <b>23,344</b>    |
| <b>National Health Service trusts<sup>(3)</sup></b> |                    |                    |                    |                    | 39                 | 243                             | 172              | 295              | 301              |
| <b>National Health Service family</b>               |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>health services (non cash</b>                    |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>limited)<sup>(1)</sup></b>                       |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure                                 | 3,600              | 4,058              | 4,229              | 4,699              | 5,219              | 5,519                           | 6,087            | 6,433            | 6,770            |
| <b>Departmental administration<sup>(8)</sup></b>    |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure                                 | 140                | 149                | 161                | 197                | 211                | 277                             | 252              | 254              | 266              |
| Capital expenditure                                 | 7                  | 10                 | 9                  | 21                 | 23                 | 44                              | 32               | 21               | 18               |
| <b>Total</b>  | <b>148</b>         | <b>160</b>         | <b>170</b>         | <b>218</b>         | <b>234</b>         | <b>321</b>                      | <b>284</b>       | <b>275</b>       | <b>283</b>       |
| <b>Central health and</b>                           |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>miscellaneous services</b>                       |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure                                 | 366                | 366                | 420                | 448                | 560                | 599                             | 628              | 669              | 710              |
| Capital expenditure                                 | 17                 | 25                 | 22                 | 32                 | 30                 | 32                              | 30               | 34               | 30               |
| <b>Total</b>  | <b>384</b>         | <b>392</b>         | <b>441</b>         | <b>480</b>         | <b>590</b>         | <b>631</b>                      | <b>659</b>       | <b>703</b>       | <b>740</b>       |
| <b>General Practice Finance</b>                     |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>Corporation<sup>(5)</sup></b>                    |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure <sup>(6)</sup>                  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Capital expenditure                                 |                    | -8                 |                    |                    |                    |                                 |                  |                  |                  |
| <b>Total</b>  |                    | <b>-8</b>          |                    |                    |                    |                                 |                  |                  |                  |
| <b>Total voted in Estimates</b>                     | <b>16,661</b>      | <b>18,416</b>      | <b>19,840</b>      | <b>22,323</b>      | <b>25,404</b>      | <b>27,987</b>                   | <b>29,017</b>    | <b>30,260</b>    | <b>31,438</b>    |
| <i>Of which:</i>                                    |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <i>Central government's own</i>                     |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <i>expenditure</i>                                  | <b>16,661</b>      | <b>18,416</b>      | <b>19,840</b>      | <b>22,323</b>      | <b>25,365</b>      | <b>27,694</b>                   | <b>28,845</b>    | <b>29,965</b>    | <b>31,138</b>    |
| <i>Public corporations</i>                          |                    |                    |                    |                    | <b>39</b>          | <b>243</b>                      | <b>172</b>       | <b>295</b>       | <b>301</b>       |
| <b>Other (non-voted)</b>                            |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>National Health Service</b>                      |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>hospital, community health,</b>                  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>family health (cash limited)</b>                 |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>and related services</b>                         |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure                                 |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Capital expenditure                                 |                    | -8                 |                    | -3                 |                    |                                 |                  |                  |                  |
| <b>Total</b>  |                    | <b>-8</b>          |                    | <b>-3</b>          |                    |                                 |                  |                  |                  |
| <b>National Health Service trusts</b>               |                    |                    |                    |                    | -62                | -31                             |                  |                  |                  |
| <b>National Health Service family</b>               |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>health services (non cash</b>                    |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>limited)<sup>(1)</sup></b>                       |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure                                 | -4                 |                    | -1                 | -10                |                    |                                 |                  |                  |                  |

Continued

## ANNEX A

## CASH PLANS – Continued

£MILLION

|   | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>outturn | 1992-93<br>estimated<br>outturn | 1993-94<br>plans | 1994-95<br>plans | 1995-96<br>plans |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|------------------|
| <b>Departmental administration</b>                            |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure   | 14                 | 15                 | 15                 | 15                 | 14                 | 16                              | 17               | 17               | 17               |
| <b>Total</b>  | 14                 | 15                 | 15                 | 15                 | 14                 | 16                              | 17               | 17               | 17               |
| <b>Central health and<br/>miscellaneous services</b>          |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure   | -3                 | -1                 | -1                 | -1                 |                    |                                 |                  |                  |                  |
| Capital expenditure   | -1                 |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>Total</b>  | -4                 | -1                 | -1                 | -1                 |                    |                                 |                  |                  |                  |
| <b>General Practice Finance<br/>Corporation(4)</b>            |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure(5)  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Capital expenditure   |                    | -12                |                    |                    |                    |                                 |                  |                  |                  |
| <b>Total</b>  |                    | -12                |                    |                    |                    |                                 |                  |                  |                  |
| <b>Total other (non-voted)</b>                                | 7                  | -7                 | 13                 | 2                  | -48                | -15                             | 17               | 17               | 17               |
| <i>Of which:</i>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Central government's own<br>expenditure                       | 7                  | -7                 | 13                 | 2                  | 14                 | 16                              | 17               | 17               | 17               |
| Public corporations (excluding<br>nationalised industries)    |                    |                    |                    |                    | -62                | -31                             |                  |                  |                  |
| <b>Total Health Services</b>                                  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure   | 15,742             | 17,488             | 18,632             | 20,901             | 24,106             | 26,419                          | 27,756           | 29,207           | 30,358           |
| Capital expenditure   | 926                | 921                | 1,221              | 1,425              | 1,250              | 1,503                           | 1,278            | 1,069            | 1,098            |
| <b>Total</b>  | 16,668             | 18,409             | 19,853             | 22,326             | 25,356             | 27,922                          | 29,034           | 30,277           | 31,456           |
| <i>Of which:</i>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Central government's own<br>expenditure                       | 16,668             | 18,409             | 19,853             | 22,326             | 25,378             | 27,710                          | 28,862           | 29,982           | 31,155           |
| Public corporations (excluding<br>nationalised industries)(3) |                    |                    |                    |                    | -23                | 212                             | 172              | 295              | 301              |
| Percentage change (cash)                                      |                    | +10.4              | +7.8               | +12.5              | +13.6              | +10.1                           | +4.0             | +4.3             | +3.9             |
| Total at 1991-2 prices (using GDP<br>deflator)(7)             | 22,000             | 22,649             | 22,919             | 23,868             | 25,356             | 26,784                          | 27,105           | 27,376           | 27,680           |
| Percentage change (real terms)                                |                    | +3.0               | +1.2               | +4.1               | +6.2               | +5.6                            | +1.2             | +1.0             | +1.1             |
| <b>Other Services</b>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>Voted in Estimates</b>                                     |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>Personal social services</b>                               |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure   | 17                 | 20                 | 24                 | 29                 | 37                 | 45                              | 49               | 50               | 52               |
| Capital expenditure   | -1                 | -3                 | -2                 |                    |                    | 3                               | 4                | 1                | 1                |
| <b>Total</b>  | 16                 | 17                 | 22                 | 29                 | 37                 | 49                              | 54               | 51               | 52               |
| <b>Civil defence</b>  | 2                  | 2                  | 2                  | 1                  | 1                  | 3                               | 3                | 3                | 3                |
| <b>Total voted in Estimates</b>                               | 18                 | 19                 | 25                 | 30                 | 38                 | 51                              | 56               | 53               | 55               |
| <i>Of which:</i>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Central government's own<br>expenditure                       | 18                 | 19                 | 25                 | 30                 | 38                 | 51                              | 56               | 53               | 55               |

Continued

## ANNEX A CASH PLANS – Continued

£MILLION

|  | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>outturn | 1992-93<br>estimated<br>outturn | 1993-94<br>plans | 1994-95<br>plans | 1995-96<br>plans |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|------------------|
| <b>Other (non-voted)</b>                                       |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>General Practice Finance Corporation</b>                    | 12                 | -49                |                    |                    |                    |                                 |                  |                  |                  |
| <b>Personal social services</b>                                |                    | -1                 |                    |                    |                    |                                 |                  |                  |                  |
| <b>Total other (non-voted)</b>                                 | 12                 | -50                |                    |                    |                    |                                 |                  |                  |                  |
| <i>Of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <i>Central government's own expenditure</i>                    |                    | -1                 |                    |                    |                    |                                 |                  |                  |                  |
| <i>Public corporations (excluding nationalised industries)</i> | 12                 | -49                |                    |                    |                    |                                 |                  |                  |                  |
| <b>Total central government expenditure</b>                    | 16,698             | 18,378             | 19,877             | 22,355             | 25,394             | 27,973                          | 29,090           | 30,330           | 31,511           |
| <i>Of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <i>Central government's own expenditure</i>                    | 16,686             | 18,427             | 19,877             | 22,355             | 25,416             | 27,762                          | 28,918           | 30,035           | 31,210           |
| <i>Public corporations (excluding nationalised industries)</i> | 12                 | -49                |                    | -23                | 212                | 172                             | 295              | 301              |                  |
| Percentage change (cash)                                       |                    | +10.1              | +8.2               | +12.5              | +13.6              | +10.2                           | +4.0             | +4.3             | +3.9             |
| Total at 1991-2 prices (using GDP deflator)(7)                 | 22,040             | 22,611             | 22,947             | 23,900             | 25,394             | 26,833                          | 27,157           | 27,424           | 27,729           |
| Percentage change (real terms)                                 |                    | +2.6               | +1.5               | +4.2               | +6.3               | +5.7                            | +1.2             | +1.0             | +1.1             |
| <b>Central government grants to local authorities</b>          |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>Voted in estimates</b>                                      |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current grants within AEF(8)                                   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Training for work with children and the elderly                |                    | 7                  | 14                 | 19                 | 25                 | 29                              | 32               | 32               | 34               |
| Services for people with AIDS                                  |                    |                    | 7                  | 10                 | 10                 | 15                              | 12               | 13               | 14               |
| Services for alcohol and drug misusers                         |                    |                    |                    |                    | 1                  | 2                               | 2                | 2                | 2                |
| Mental illness specific grant                                  |                    |                    |                    |                    | 19                 | 31                              | 34               | 35               | 37               |
| Guardian ad litem service                                      |                    |                    |                    |                    |                    | 6                               | 6                | 6                | 6                |
| Aid for the homeless(6)  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Community care grant(9)  |                    |                    |                    |                    |                    |                                 | 539              | 652              | 518              |
| Capital grants   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Provision of secure accommodation                              | 1                  | 1                  | 2                  | 2                  | 2                  | 4                               | 3                | 3                | 4                |
| Rehousing of displaced families(6)                             |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>Total central government grants to local authorities</b>    | 1                  | 8                  | 24                 | 31                 | 58                 | 88                              | 629              | 743              | 614              |
| <i>Of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <i>Current within AEF(7)</i>                                   |                    | 7                  | 21                 | 29                 | 56                 | 84                              | 625              | 740              | 610              |
| <i>Capital</i>   | 1                  | 1                  | 2                  | 2                  | 2                  | 4                               | 3                | 3                | 4                |
| <b>Credit approvals</b>  | 68                 | 73                 | 67                 | 84                 | 106                | 128                             | 132              | 135              | 140              |
| <b>Total central government support to local authorities</b>   | 69                 | 81                 | 91                 | 115                | 164                | 215                             | 760              | 878              | 754              |
| <b>Total Department of Health</b>                              | 16,767             | 18,459             | 19,968             | 22,471             | 25,557             | 28,189                          | 29,850           | 31,208           | 32,265           |
| <i>Of which:</i>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <i>Current expenditure</i>                                     | 15,761             | 17,516             | 18,679             | 20,960             | 24,200             | 26,550                          | 28,433           | 30,000           | 31,022           |

Continued



## ANNEX A

## CASH PLANS – Continued

£MILLION

|   | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>outturn | 1992-93<br>estimated<br>outturn | 1993-94<br>plans | 1994-95<br>plans | 1995-96<br>plans |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|------------------|
| <i>Capital expenditure</i>                                    | 1,006              | 943                | 1,289              | 1,511              | 1,357              | 1,638                           | 1,417            | 1,208            | 1,243            |
| <i>Of which:</i>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <i>Voted in Estimates</i>                                     | 16,680             | 18,442             | 19,888             | 22,384             | 25,500             | 28,076                          | 29,702           | 31,057           | 32,107           |
| Percentage change (cash)                                      |                    | +10.1              | +8.2               | +12.5              | +13.7              | +10.3                           | +5.9             | +4.6             | +3.4             |
| Total at 1991-2 prices (using GDP<br>deflator) <sup>(7)</sup> | 22,131             | 22,711             | 23,052             | 24,025             | 25,557             | 27,039                          | 27,867           | 28,218           | 28,392           |
| <i>Percentage change (real terms)</i>                         |                    | -2.6               | +1.5               | +4.2               | +6.4               | +5.8                            | +3.1             | +1.3             | +0.6             |

Office of Population Censuses and  
Surveys

|  |    |    |    |    |     |    |    |    |    |
|--|----|----|----|----|-----|----|----|----|----|
| Central government's own<br>expenditure              |    |    |    |    |     |    |    |    |    |
| Voted in Estimates                                   |    |    |    |    |     |    |    |    |    |
| Records, registration and<br>surveys                 | 31 | 27 | 34 | 53 | 101 | 41 | 33 | 32 | 33 |
| Other (non-voted)                                    |    |    |    |    |     |    |    |    |    |
| Records, registrations and<br>surveys <sup>(6)</sup> |    |    |    |    |     |    |    |    |    |

Total Office of Population Censuses  
and Surveys

|    |    |    |    |     |    |    |    |    |
|----|----|----|----|-----|----|----|----|----|
| 31 | 27 | 34 | 58 | 101 | 41 | 33 | 32 | 33 |
|----|----|----|----|-----|----|----|----|----|

Total Department of Health and  
Office of Population Censuses  
and Surveys

|  |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|
| 16,799   | 18,486 | 20,003 | 22,523 | 25,658 | 28,230 | 29,883 | 31,241 | 32,298 |
| Percentage change (cash)                                 | +10.0  | +8.2   | +12.6  | +13.9  | +10.0  | +5.9   | +4.5   | +3.4   |
| At 1991-92 prices (using GDP<br>deflator) <sup>(7)</sup> | 22,173 | 22,744 | 23,092 | 24,079 | 25,658 | 27,079 | 27,897 | 28,421 |
| Percentage change (real terms)                           | +2.6   | +1.5   | +4.3   | +6.6   | +5.5   | +3.0   | +1.3   | +0.6   |

(1) In 1991-92 and 1992-3 provision of £133 and £299 million respectively for drugs prescribed by GP fundholders is included in HCBS current expenditure. However, for other years all provision for FHS drug costs is included in FHS non-cash limited provision. This reflects the fact that there is no basis for adjusting previous years' figures because GP fundholders did not exist before 1 April 1991 and for future years decisions on the number of GP fundholders have not yet been taken.

(2) HCBS current includes funding for NHS trust capital expenditure (see paragraph 3.27): an estimated £231m in 1991-92 and £363 in 1992-93 and provisional figures in 1993-94 and 1995-96.

(3) Figures for forward years are provisional estimates.

(4) Includes provision for the Medicines Control Agency which, subject to Ministerial and Parliamentary approval, will become a Trading Fund from 1 April 1993.

(5) Covers GB.

(6) Cash amounts below £0.5 million are not shown.

(7) As in Autumn Statement.

(8) Aggregate External Finance.

(9) The grant is to be increased as a result of the changes brought about by the ending of the Independent Living Fund. The increases are £27m in 1993-94, £64m in 1994-95 and £100m in 1995-96, to £565m, £716m and £618m respectively.

# ANNEXES

## ANNEX B

## NATIONAL HEALTH SERVICE, UNITED KINGDOM

£ MILLION

|   | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>outturn | 1992-93<br>estimated<br>outturn | 1993-94<br>plans | 1994-95<br>plans | 1995-96<br>plans |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|------------------|
| <b>Central government expenditure</b>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>National Health Service hospital, community health, family health (cash limited) and related services(4)(5)(6)</b> |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - gross   | 14,998             | 16,651             | 17,864             | 20,014             | 23,052             | 25,404                          | 26,362           | 27,688           | 28,611           |
| - charges and receipts  | -393               | -437               | -482               | -543               | -581               | -545                            | -555             | -569             | -580             |
| - net   | 14,605             | 16,213             | 17,382             | 19,471             | 22,471             | 24,859                          | 25,808           | 27,119           | 28,031           |
| Capital expenditure(7)  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - gross   | 1,314              | 1,416              | 1,726              | 1,861              | 1,785              | 1,827                           | 1,564            | 1,177            | 1,169            |
| - receipts  | -216               | -300               | -262               | -204               | -181               | -219                            | -215             | -213             | -217             |
| - net   | 1,098              | 1,116              | 1,464              | 1,658              | 1,604              | 1,608                           | 1,349            | 964              | 952              |
| <b>Total</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - gross   | 16,311             | 18,067             | 19,590             | 21,875             | 24,837             | 27,232                          | 27,926           | 28,865           | 29,780           |
| - receipts  | -609               | -738               | -744               | -746               | -762               | -764                            | -770             | -781             | -797             |
| - net   | 15,703             | 17,329             | 18,846             | 21,129             | 24,074             | 26,467                          | 27,156           | 28,084           | 28,983           |
| <b>National Health Service trusts(7)</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - external finance (net)  |                    |                    |                    |                    | -23                | 210                             | 187              | 325              | 390              |
| <b>National Health Service family health services (non-cash limited)(4)(6)</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - gross   | 4,761              | 5,386              | 5,681              | 6,275              | 6,977              | 7,309                           | 8,046            | 8,513            | 8,962            |
| - charges and receipts  | -489               | -572               | -665               | -701               | -768               | -762                            | -838             | -894             | -945             |
| - net   | 4,272              | 4,814              | 5,017              | 5,574              | 6,209              | 6,547                           | 7,209            | 7,619            | 8,017            |
| <b>Departmental administration(8)</b>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - gross   | 172                | 182                | 196                | 239                | 268                | 330                             | 306              | 309              | 321              |
| - receipts  | -6                 | -6                 | -8                 | -11                | -27                | -17                             | -20              | -20              | -20              |
| - net   | 166                | 176                | 189                | 228                | 241                | 313                             | 287              | 289              | 301              |
| Capital expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - gross   | 8                  | 10                 | 9                  | 22                 | 23                 | 44                              | 32               | 21               | 18               |
| - receipts  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - net   | 8                  | 10                 | 9                  | 22                 | 23                 | 44                              | 32               | 21               | 18               |
| <b>Total</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - gross   | 180                | 193                | 206                | 260                | 292                | 374                             | 338              | 330              | 340              |
| - receipts  | -6                 | -6                 | -8                 | -11                | -27                | -17                             | -20              | -20              | -20              |
| - net   | 174                | 186                | 198                | 249                | 265                | 357                             | 319              | 310              | 320              |
| <b>Central health and miscellaneous services</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - gross   | 545                | 566                | 650                | 724                | 882                | 961                             | 1,009            | 1,066            | 1,119            |
| - receipts  | -23                | -23                | -27                | -30                | -40                | -31                             | -37              | -40              | -40              |
| - net   | 522                | 543                | 623                | 695                | 842                | 930                             | 972              | 1,027            | 1,078            |
| Capital expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - gross   | 33                 | 40                 | 41                 | 52                 | 53                 | 55                              | 52               | 57               | 53               |
| - receipts  | -3                 |                    | -1                 |                    |                    | -3                              |                  |                  |                  |
| - net   | 30                 | 39                 | 40                 | 52                 | 53                 | 53                              | 52               | 57               | 53               |
| <b>Total</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - gross   | 577                | 605                | 691                | 776                | 935                | 1,017                           | 1,061            | 1,123            | 1,172            |
| - receipts  | -26                | -23                | -28                | -30                | -40                | -33                             | -37              | -40              | -40              |
| - net   | 551                | 582                | 663                | 747                | 894                | 983                             | 1,024            | 1,083            | 1,132            |

Continued

|   | 1987-88<br>outturn | 1988-89<br>outturn | 1989-90<br>outturn | 1990-91<br>outturn | 1991-92<br>outturn | 1992-93<br>estimated<br>outturn | 1993-94<br>plans | 1994-95<br>plans | 1995-96<br>plans |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|------------------|------------------|------------------|
| <b>General Practice Finance Corporation<sup>(9)</sup></b>   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - gross   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - receipts  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - net   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Capital expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - gross   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - receipts  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - net   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>Total</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| <b>Total National Health Service</b>                        |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| Current expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - gross   | 20,475             | 22,785             | 24,392             | 27,253             | 31,179             | 34,005                          | 35,724           | 37,576           | 39,014           |
| - receipts  | -911               | -1,039             | -1,182             | -1,284             | -1,416             | -1,355                          | -1,449           | -1,522           | -1,586           |
| - net   | 19,565             | 21,747             | 23,210             | 25,968             | 29,763             | 32,649                          | 34,275           | 36,054           | 37,428           |
| Capital expenditure   |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - gross   | 1,354              | 1,467              | 1,777              | 1,935              | 1,838              | 2,136                           | 1,834            | 1,580            | 1,631            |
| - receipts  | -219               | -321               | -263               | -204               | -182               | -222                            | -215             | -213             | -217             |
| - net   | 1,135              | 1,145              | 1,514              | 1,731              | 1,657              | 1,915                           | 1,619            | 1,367            | 1,414            |
| <b>Total</b>  |                    |                    |                    |                    |                    |                                 |                  |                  |                  |
| - gross   | 21,829             | 24,252             | 26,169             | 29,187             | 33,017             | 36,141                          | 37,558           | 39,156           | 40,645           |
| - receipts  | -1,129             | -1,360             | -1,445             | -1,488             | -1,598             | -1,577                          | -1,664           | -1,735           | -1,803           |
| - net   | 20,700             | 22,892             | 24,724             | 27,699             | 31,420             | 34,564                          | 35,894           | 37,422           | 38,842           |
| Percentage change   |                    | +10.6              | +8.0               | +12.0              | +13.4              | +10.0                           | +3.8             | +4.3             | +3.8             |
| Total at 1991-2 prices (using GDP deflator) <sup>(10)</sup> | 27,822             | 28,165             | 28,542             | 29,613             | 31,420             | 33,155                          | 33,509           | 33,836           | 34,180           |
| Percentage change   |                    | +3.1               | +1.3               | +3.8               | +6.1               | +5.5                            | +1.1             | +1.0             | +1.0             |

(1) Expenditure was incurred or is planned in some of the years shown in the table, but the amounts round to zero.

(2) The allocation between services of the provision for Wales from 1993-94 is provisional.

(3) Hospital and Community Health Services, and Personal Social Services in Northern Ireland are on an integrated basis: so the Northern Ireland figures involve some estimated apportionment. Also, in Northern Ireland all FHS provision is cash limited.

(4) HCCH current for England and Scotland includes funding for NHS trust capital expenditure (an estimated £231m for England in 1991-92 and £363m in 1992-93, £10m for Scotland in 1992-93, and provisional figures in later years).

(5) For Northern Ireland all FHS provision is included here.

(6) HCCH current for England, Scotland and Wales includes expenditure for drugs prescribed by GP fundholders in 1991-92 and 1992-93 (£133m and £299m for England, £7m and £8m for Scotland and £4m and £15m for Wales). In other years for England, Scotland and Wales all FHS drug costs are in FHS non cash limited provision.

(7) Figures for forward years are provisional estimates.

(8) Excludes departmental administration of health programme in Scotland and Wales.

(9) Covers Great Britain.

(10) As in Autumn Statement



**ANNEX C ALLOCATION OF MINISTERIAL RESPONSIBILITIES****Secretary of State for Health:**

has overall responsibility for major policy issues.

**Minister for Health:**

- \* Alcohol misuse
- \* Community care overview
- \* Drug misuse
- \* European Community and international affairs
- \* General dental services
- \* General medical services
- \* General ophthalmic services
- \* Health education and promotion
- \* Health exports
- \* London
- \* Medical and dental manpower and education (including junior doctors' hours)
- \* NHS appointments
- \* NHS management (including NHS trusts and GP fundholding)
- \* NHS pay and personnel
- \* NHS reforms overview
- \* Pharmaceutical services
- \* Pharmaceuticals
- \* Primary care services
- \* Public health (including health strategy)
- \* Research
- \* Smoking
- \* Special health authorities
- \* Supplies

**Parliamentary Under Secretary of State (Community Care):**

- \* Children's services (including Youth Treatment Centres)
- \* Community care
- \* All services for:
  - disabled (including sensorily disabled) people
  - elderly people
  - mental health
  - learning disability
- \* Homelessness
- \* Personal social services
- \* Special hospitals

**Parliamentary Under Secretary of State (Health):**

- \* Abortion
- \* Acute services (including cancer)
- \* Ambulances
- \* Blood supplies
- \* Capital loans
- \* Civil defence
- \* Complaints
- \* Confidentiality
- \* Crown immunity
- \* Deregulation
- \* DH management (including "Next Steps")

Continued

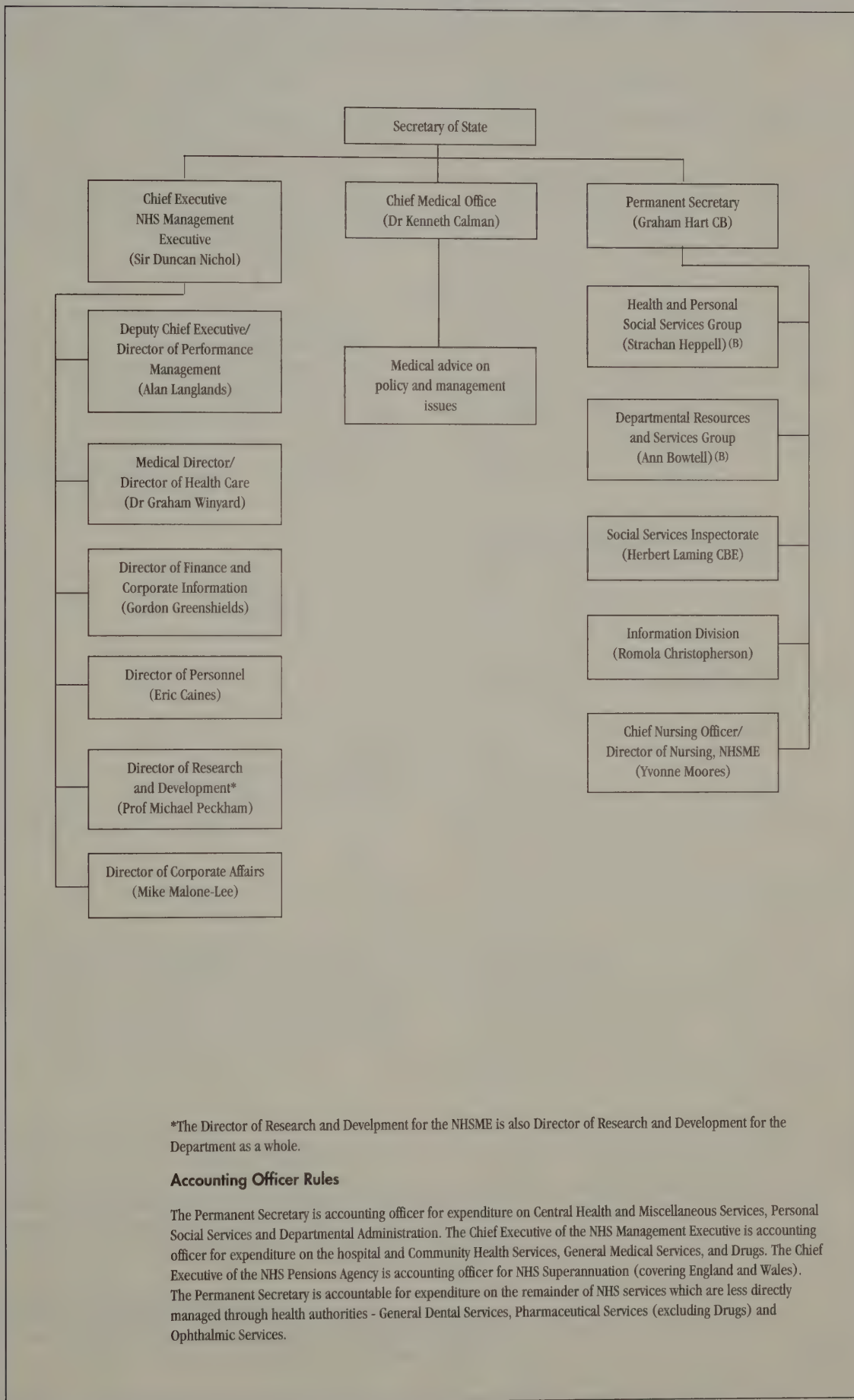
**ALLOCATION OF MINISTERIAL RESPONSIBILITIES – Continued**

- \* Disciplinary cases
- \* Family planning
- \* Income generation
- \* Infertility (including human embryology and fertilisation)
- \* Laboratories
- \* NHS estates
- \* NHS information technology
- \* Office of Population Censuses and Surveys
- \* Patient's Charter
- \* Private sector
- \* Superannuation
- \* Transplantation
- \* Unconventional finance
- \* VFM/competitive tendering
- \* Voluntary sector (including Section 64 grants)
- \* Waiting lists

**Parliamentary Under Secretary of State (House of Lords)**

- \* AIDS
- \* Alternative therapies
- \* Environmental health
- \* Ethnic issues
- \* Food hygiene
- \* Green issues
- \* Hospitals
- \* Hospital chaplaincy
- \* Hospital security
- \* Infectious diseases
- \* Inner cities
- \* Nursing
- \* Nutrition
- \* Opportunity 2000
- \* Vaccine damage
- \* Women's health (including maternity services and breast and cervical cancer and related screening services)

## ANNEX D ORGANISATION OF THE DEPARTMENT OF HEALTH

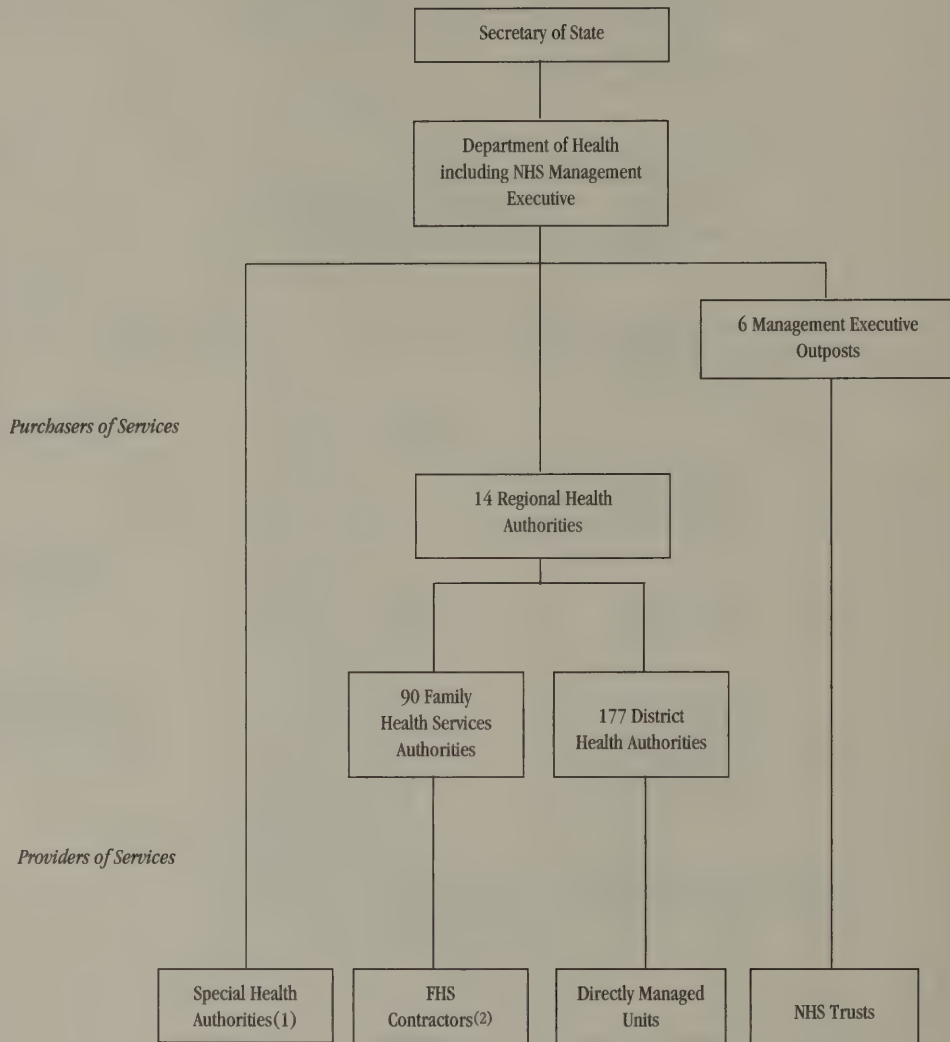


\*The Director of Research and Development for the NHSME is also Director of Research and Development for the Department as a whole.

#### Accounting Officer Rules

The Permanent Secretary is accounting officer for expenditure on Central Health and Miscellaneous Services, Personal Social Services and Departmental Administration. The Chief Executive of the NHS Management Executive is accounting officer for expenditure on the hospital and Community Health Services, General Medical Services, and Drugs. The Chief Executive of the NHS Pensions Agency is accounting officer for NHS Superannuation (covering England and Wales). The Permanent Secretary is accountable for expenditure on the remainder of NHS services which are less directly managed through health authorities - General Dental Services, Pharmaceutical Services (excluding Drugs) and Ophthalmic Services.





(1) Special health authorities include the eight SHAs for the London Postgraduate Teaching Hospitals, the NHS Supplies Authority, the Health Education Authority, the Special Hospitals Service Authority and the Prescription Pricing Authority. They act as providers rather than purchasers of services.

(2) FHS contractors (general medical practitioners, general dental practitioners, pharmacists and opticians) include GP fundholders who, in addition to providing general medical services for their patients, take over from the relevant DHA responsibility for purchasing for them defined services from directly managed units and NHS trusts.

## ANNEX F PRIORITIES AND KEY CHALLENGES: 1992-93 TO 1995-96

**1. To protect, promote and improve the health of the nation****1992-93 Priorities and Key Challenges**

(i) Promote better health by developing and securing action on the national strategy for health to be set out in "The Health of the Nation" White Paper, by providing appropriate research and by legislating for the control of infectious diseases and regulating chiropractors and osteopaths.

(ii) Raise public awareness of factors affecting good health through effective public education on healthy lifestyles, in particular in relation to coronary heart disease, tobacco related illness, AIDS and sexual health, and misuse of alcohol, drugs and other substances; and secure the adoption by individuals and corporate bodies of strategies and plans of action to raise standards of physical and mental health.

(iii) Promote healthy eating and take action to secure the safety of food offered to the public.

(iv) Ensure a strong health input to the development of environmental and consumer protection policies in the field of air and water safety, secure their enforcement at local and national level, and promote measures to reduce the health effects of UV radiation.

(v) Seek to improve perinatal, infant and child health services by carrying forward the work of the Confidential Enquiry into Stillbirths and Deaths in Infancy and following up the Clothier Report on Gene Therapy.

**1992-93 Key Achievements**

\* "The Health of the Nation White Paper published in July 1992 (see paras 4.1-4.7).

\* Centrally managed research programme refocused in support of "The Health of the Nation"

\* Completed review of Public Health (Control of Disease) Act.

\* Introduction of Directive introducing labelling on all tobacco products - UK's wording the largest in Europe

\* No smoking or tobacco sale in NHS premises (except some long-stay institutions) after 31 May 1993.

\* Warning notice on illegal tobacco sales required in all retail premises from February 1993

\* Continuing campaigns and preventive work have maintained public awareness and knowledge of HIV/AIDS. Evidence of significant behaviour change among homosexual men and some behaviour change among the heterosexual population.

\* National anti-solvent abuse campaign launched in February 1992; second phase launched in October 1992.

\* Report of conference on women and alcohol published in June 1992

\* Surveillance of food safety conducted through the Department's Health Survey, and through the Diet and Nutrition Survey Programme conducted jointly with MAFF.

\* Departmental contribution to production of nutritional guidelines for school meals published in November 1992.

\* Advice promulgated on sensible exposure to the sun.

\* Committee on Medical Effect of Air Pollutants established (first meeting held in May 1992).

\* MAAPE report on sulphur dioxide published in October 1992.

\* Structures established to steer and manage the Confidential Enquiry into Stillbirths and Deaths in Infancy.

\* Consultation completed in May 1992 on the Clothier Report on Gene Therapy.

## 2. To secure high quality health care through the NHS.

### 1992-93 Priorities and Key Challenges

- (i) Achieve the objectives and targets for improved health, community care, quality of care, integration of primary and secondary care and the efficient use of resources set out in the priorities and planning guidance for the NHS for 1992-93.
- (ii) Develop the internal market to secure improvements in patient care and more consumer choice.
- (iii) Manage the NHS effectively within the resources provided for 1992-93. Secure increases in activity in line with the growth in resources adjusted for GDP and health service specific inflation, plus an addition reflecting overall efficiency gains of up to 2 per cent.
- (iv) Achieve the objectives and standards for the quality of care set out in the Patient's Charter and subsequent developments.
- (v) Secure that the NHS component of the Government's community care policies for 1992-93 including the development of services for mentally ill people and those with learning disabilities is effectively implemented.
- (vi) Increase the effectiveness of the NHS by strengthening through the Research and Development programme the scientific basis for defining strategies in health care, operational policy and management.

### 1992-93 Key Achievements

- \* Performance against plan as set out in corporate contract monitored quarterly. Where performance did not reach required standards, remedial action was taken to make improvements.
  - \* Locally led integration initiatives introduced.
- See paras 4.59-4.65.
- \* Initial quarterly outturns show most regions are on course to meet efficiency targets.
- See paras 4.8-4.18.
- See paras 4.41 to 4.51.
- \* Expert advisory groups set up under auspices of Central Research and Development Committee - Priorities Working Group (1992) and Standing Group on Health Technologies (1993). Twelve of fourteen Regional Directors of Research and Development (RDRD) in post.
  - \* CRDC targeted short term expert groups: health technology assessment, mental health, cardiovascular disease and stroke, clinical appropriateness, physical and complex disabilities, primary/secondary interface, client groups, R&D priorities for purchasing.
  - \* Peer review and commissioning of NHS research in mental health: programme managed by RDRD Yorkshire on behalf of NHS. "Snapshot" of UK health services research 1991-92 completed. Regions published first R&D plans September 1992
  - \* Report of an advisory group on health technology assessment (HTA) published on 9 October 1992. Implementation of national HTA programme to start in 1993. Cochrane Centre opened in Oxford 9 November 1992.
  - \* Information systems strategy study (1992) provides basis for: national database of research, research review facility, facility for systematic transfer of research findings into practice. Implementation planned for 1993.



### 3. To secure high quality social care through local authorities and other agencies.

#### 1992-93 Priorities and Key Challenges

(i) Continue work to implement the reform of personal social services set out in Caring for People, and the NHS and Community Care Act 1990, to secure implementation by local authorities by April 1993.

(ii) Review the working of the Children Act 1989 and further promote effective residential child care services in the light of the Utting, Warner and Howe reports, review the law on adoption and provision for young asylum seekers and juvenile offenders.

(iii) Strengthen through research and development the scientific basis and evaluation of social care policy and delivery.

(iv) Develop services for mentally ill people, people with learning disabilities and mentally disordered offenders in the light of the reports of the working group on services for people with learning disability and challenging behaviour, the mental health task force, and the review of services for mentally disordered offenders.

(v) Increase public understanding of what we are trying to achieve and the progress being made in achieving it, and ensure effective communications between the Department, the NHS, local authorities and other organisations involved in planning and providing health and social services.

### 4. To enable the UK to play an effective part in the work of the European Community and other international health and social services issues.

#### 1992-93 Priorities and Key Challenges

(i) Implement current EC Directives on food content, food labelling and food safety; promote improvements in EC Directives on tobacco and alcohol labelling.

(ii) Carry forward work in EC Directives on pharmaceuticals and health manpower; and on EC initiatives on cancer, AIDS and services for the elderly and for physically disabled people.

#### 1992-93 Key Achievements

See paras 4.19-4.29.

See paras 4.31-4.38. Also:

\* Monitoring strategy launched February 1992.

\* Special training initiative for heads of children's homes

\* More money targeted on training social workers in local authority children's homes.

\* Report of adoption law review issued for consultation in October.

\* Dissemination of completed research through workshops.

\* Development of tools for practitioners.

\* Mental health is a key area in "The Health of the Nation" strategy (see box following para 4.4).

\* Completed review of service for mentally disordered offenders (the Reed Committee)

\* Guidance to local authorities on services for people with learning disabilities.

\* Guidance issued to local authority social service departments by the Social Services Inspectorate of community care, children's services, quality assurance and workforce and training issues.

#### 1992-93 Key Achievements

\* Close involvement, together with MAFF, in the development of the Directive on the hygiene of foodstuffs.

\* Tobacco Labelling Directive came into force in January 1992; a second Directive will follow in 1993.

\* Full participation in Europe Against Cancer initiative; UK hosted meeting of European cancer experts, October 1992.

\* Support for the EC AIDS Task Force, the EC Biomedical and Health Research Programme and the EC's AIDS programme for developing countries.

\* Successful results achieved in negotiations on EC's 'Future Systems' proposals on pharmaceuticals. Participation in an initiative to share information between member states and work closely together on pharmaceutical matters.

(iii) Negotiate and implement EC Directives on medical devices; establish the Medical Devices Directorate as the 'competent authority' on medical devices.

(iv) Support the UK presidency and the development of a new public health chapter in Treaty of Rome.

(v) Provide an effective input to other international health issues, and particularly to the work of the World Health Organisation and the Council of Europe.

## **5. To secure value for money from the resources available for the Department's running costs.**

### **1992-93 Priorities and Key Challenges**

(i) Manage the programmes of change related to the reorganisation of the Department following the setting up of the NHSME, its relocation to Leeds and the reorganisation and relocation of the work of the Department in London, so that the Department continues to operate effectively and efficiently as one from its Leeds and London centres.

(ii) Implement the staff development and equal opportunities strategies to ensure that personnel services and systems, including relevant and effective training, are in place to allow line managers to make the best possible use of their staff.

(iii) Improve value for money from the resources applied to Departmental administration in particular by carrying through a market testing programme that implements

\* Used the UK Presidency to prepare for the 1993 European Year of Elderly People launched in London in December 1992. Joint funding with DSS an Age Concern secretariat to coordinate the UK programme for the year.

\* In the lead in negotiation on EC's third Action Programme for disabled people. Work continuing on promoting examples of independent living among disabled people, and in setting up a Community-wide computerised information network.

\* Implementation of Active Implantable Medical Device Directive in January 1993.

See paras 4.54-4.58.

\* Russian/British Health Care Industry Group reactivated.

\* British Health Consortium signed agreement with Sverdlovsk Regional Government to provide health care goods to the value of £2 million.

\* Successful co-sponsorship of a World Health Organisation resolution on 'Strengthening Nursing and Midwifery in Support of Strategies for Health for All'.

### **1992-93 Key Achievements See paras 5.43-5.47:**

\* Successfully completed the initial phases of the move to Leeds with 650 staff in place by end April 1993. Care taken to meet needs of relocating staff reflected in reports of relatively trouble-free settling-in period.

\* Installation of new electronic office information system on time and on budget. Users putting system to immediate practical use improving communications in and between Leeds and London.

\* On target for move substantially to rationalise London accommodation. Occupation of new building at 80 London Road began November 1992.

\* Senior management action to enhance cohesiveness of Department and improve communications.

See paras 5.62 and 5.63:

\* New performance appraisal system in place by April 1993 to serve as a foundation for performance-related pay throughout the Department.

\* Publication of action plan on equal opportunities.

\* New management training courses in place.

\* Senior promotions system made more rigorous and objective.

See paras 5.57-5.59:

\* Implementation of market testing programme under way.

proposals in the White Paper "Competing for Quality"; and by otherwise strengthening procedures for purchasing goods and services.

\* Contract let for facilities management and support services in Quarry House, Leeds and in 80 London Road.

\* Improvement in purchasing systems.

\* Savings achieved on transfer of payroll.

\* Savings in printing costs anticipated as a result of efficiency scrutiny.

\* Work in hand to introduce charging for internal services.

\* Improvements to management budgeting systems and the annual objective setting and resource allocation process.

See para 5.60 and 5.61:

\* NHS Pensions Agency launched in November 1992.

\* Moving to establish the Medicines Control Agency as trading fund.

(iv) Set up further Executive Agencies and secure appropriate financial regimes for the MCA and NHS Estates in line with the programme agreed by Ministers.

## PRIORITIES AND KEY CHALLENGES 1993-94 TO 1995-96

The Secretary of State's priorities for the following three years include:

### 1. To protect, promote and improve the health of the nation.

- \* Carry forward action to improve the health of the nation following up "The Health of the Nation" White Paper.
- \* Respond effectively to demographic pressure, advances in care and treatment and other developments, especially in the fields of care of the elderly, tobacco, drug and alcohol abuse, AIDS and sexual health, and mental health.
- \* Carry forward measures to prevent or contain communicable diseases, including food and waterborne infections, and the effects of environmental pollution.

### 2. To secure high quality health care through the NHS

- \* Implement NHS aspects of "The Health of the Nation" White Paper so as to achieve the health targets set by the Government.
- \* Extend the programme of improvements in consumer based quality standards initiated by the Patient's Charter.
- \* Secure further developments in the internal market.

### 3. To secure high quality social care through local authorities and other agencies.

- \* Continue to seek improvements in the community care for people with special needs and for children, in collaboration with health authorities, local authorities and private and voluntary organisations.

### 4. To enable the UK to play an effective part in the work of the European Community and other international health and social services issues.

- \* Maintain an appropriate and effective UK contribution to the health and social policies of the EC, WHO and other international organisations, in the light especially of the new chapter on public health in the Treaty of Rome.

### 5. To secure value for money from the resources available for the Department's running costs.

- \* Keep the Department's organisation and structure and working methods under



review in the light of the relocation of the Management Executive to Leeds and the reorganisation of work in London.

- \* Review after three years the performance and future role of each of its executive agencies.
- \* Continue to improve the efficiency and effectiveness of the Department, in the particular its support services, through market testing and other means of promoting greater cost awareness.

**ANNEX G EXECUTIVE AGENCIES OF THE DEPARTMENT OF HEALTH****MEDICINES CONTROL AGENCY**

- 1 The Medicines Control Agency (MCA) was launched as an executive agency on 11 July 1991. The MCA is the UK regulatory authority charged with protecting public health through the control of human medicines. The Agency employs over 350 staff with an annual turnover of about £20 million. It carries out its task through a system of licensing, classification, monitoring, enforcement and the development of standards under the Medicines Act 1968 and in accordance with European Directives. The Agency recovers its costs through licensing and inspection fees and service charges.

**Key Tasks and Targets 1991-92**

- 2 The Agency met virtually all its high level targets for 1991-92 whilst achieving an efficiency saving of over 2 per cent. Initial processing time for abridged applications to the start of full professional assessment was reduced from six to two months well ahead of time. Assessment of these applications and of the more complex new active substance applications were all completed within the EC agreed times. A new computer system to help speed up the recording of adverse drug reaction (ADR) reports was successfully introduced in June 1991; targets to enter 90 per cent of ADR reports on to the system within seven days of receipt were exceeded in the quarter to March 1992, and 90 per cent of serious and fatal reports were handled within forty-eight hours.

**Key Tasks and Targets 1992-93**

- 3 The MCA is required to meet a series of key tasks and targets, details of which are contained in the Business Plan. They include enhanced monitoring of new medicines to ensure their safety and quality, an increase in the number of inspections of manufacturers and wholesalers, and targets for the assessment of licence applications within tight timetables.
- 4 Financial targets require the Agency to live within agreed expenditure and revenue limits, taking account of agreed efficiency savings. The Agency has operated under net running cost control since 1 April 1992, but is seeking to achieve trading fund status from 1 April 1993, subject to the necessary approval from Parliament.

**Forward Plans**

- 5 The Agency is seeking to create a new pay and grading structure which will be more responsive to its needs and those of its customers, in terms of rewarding, motivating and retaining key members of staff. In addition it is pursuing a Quality Initiative to enhance the quality of its services to its customers. Ministers will be considering the Agency's key targets for 1993-94 in the New Year and these will be published in the Agency's 1993-94 Business Plan.

**Reports and Accounts**

- 6 The MCA's Annual Report and Accounts for 1991-92 and the Business Plan for 1992-93 may be obtained from the office of the Chief Executive. The address is room 1628, Market Towers, 1 Nine Elms Lane, London SW8 5NQ.

**NHS ESTATES MANAGEMENT AND HEALTH BUILDING AGENCY ("NHS ESTATES")**

- 1 The Department's Estates Directorate was launched as an executive agency on 1 April 1991. The Agency's task is to support Ministers, the NHS Management Executive and the NHS in the management of its estate and annual capital investment programme. It employs about 130 staff with a total annual expenditure of about £10 million. The Agency is due to relocate to Leeds in March 1993.
- 2 NHSE is in the process of untying its customer base in the NHS, while still serving the needs of the Department. It is attracting new customers, including individual health authorities and provider units, NHS trusts, other Government Departments and undertaking contracts in the private sector and overseas. It is improving product quality by implementing a programme to achieve BS 5750 Quality Assurance accreditation in 1993-94.

**Key Tasks and Targets 1991-92**

- 3 Among numerous commissions, the Agency's Estates Consultancy Group identified £126 million that could be released from three previously proposed building schemes in the NHS. Income from exports has substantially increased following a development of twelve hospitals in Malaysia based on the Agency's Nucleus planning and design system.
- 4 The key targets of operating within budget and an efficiency target of 2 per cent saving on running costs were achieved, with a 19 per cent saving on baseline operating costs. The Agency came close to achieving the rigorous throughput target of completing 80 per cent of all contracts on time and within budget: 89 per cent of all work was completed, whilst 67 per cent of contracts were delivered on time, and 80 per cent were within cost. In a number of cases delivery was outside the Agency's control.

**Key Tasks and Targets 1992-93**

- 5 The Agency will demonstrate effective financial controls on services and resources by living within agreed expenditure and revenue limits.
- 6 In achieving its objectives, NHSE will meet a series of key tasks by specific target dates approved by the Secretary of State, and monitored on her behalf by the Agency Board. These include facilitating the better management of capital and revenue resources through increasing uptake by NHS customers of Agency asset management, estate utilisation option appraisal and design products. The Agency intends to improve productivity by reviewing pay/performance and staff management requirements, making recommendations by March 1993.

**Forward Plans and Future Targets**

- 7 The Agency's Corporate Plan for 1992-95 and Business Plan for 1992-93 have been approved by Ministers. The key targets for 1992-93 were published in July 1992. Ministers will be considering the Agency's key targets for 1993-94 early in 1993 and these will be set out in the Agency's 1993-94 Business Plan.

**Publication of Report and Accounts**

- 8 The 1991-92 Annual Report and Accounts were published in July 1992 and contain more information on the Agency's tasks and activities. Copies of this document can be obtained from Ms C Simms, Room 620, Euston Tower, 286 Euston Road, London NW1 3DN.



**YOUTH TREATMENT SERVICE**

- 1 The Youth Treatment Service (YTS) was established as an Executive Unit of the Department of Health on 1 April 1992. The YTS is headed by a Chief Executive who reports directly to the Secretary of State. The YTS employs about 220 staff, and its total annual expenditure is around £9 million.
- 2 The YTS manages two specialised childcare facilities, at Glenthorne in Birmingham and St Charles in Brentwood, Essex, with places for up to seventy young people. The centres were set up under Section 82(5) of the Children Act 1989. The Service's aim is to help extremely disturbed young persons whose needs cannot be met elsewhere.
- 3 From the financial year commencing 1 April 1993, commercial style accounting procedures will be introduced. These will be supported by Vote and management accounting systems. The YTS currently recovers the costs of caring for young people placed by local authorities.

**Key Tasks and Targets 1992-93**

- 4 The Service is seeking to introduce a new unified salary structure for professional staff, more responsive to its needs.
- 5 The YTS is charged with providing high quality care for the young people in its care, whilst ensuring value for money. Its Service Annual Plan for 1992-93, its first year of operation, sets out key strategies and objectives which are both challenging yet realistic. The Service Annual Plan is available from the office of the Chief Executive.

**Forward Plans and Future Targets**

- 6 Forward plans, including key targets for 1993-94, are being considered by Ministers early in 1993.

**Publication of Reports and Accounts**

- 7 Each year the Chief Executive will produce and sign an Annual Report and Account of the Service's activities for submission to the Secretary of State for approval. It will be placed in the library of both Houses of Parliament. Once the Service's systems are fully established, it is intended to publish the annual report in June of each year, with the first report becoming available in June 1993. The Service's address is Glenthorne Centre, Kingsbury Road, Erdington, Birmingham B24 9SA.

## NHS PENSIONS AGENCY

- 1 The NHS Pensions Agency, launched on 20 November 1992, employs 650 staff with running costs of around £20 million. The Agency administers the NHS occupational pension scheme, which, with over one million members is the largest - and probably the most complex of its kind - in Europe.
- 2 The Agency's main objectives are to provide a timely, accurate and helpful service to its customers - health authorities and pension scheme members; to ensure that the annual turnover of income and expenditure, amounting to some £3.1 billion, is properly handled; to maximise value for money from its running costs; and to provide Ministers, the NHS Management Executive and other interests with timely and high quality advice and information on pension matters. The Agency is based at Hesketh House, 200-220 Broadway, Fleetwood, Lancashire FY7 8LG.

### Key Targets 1992-93 3

- 3 The Agency's key targets for the current year are:

#### Service Standards

- a. Pension awards to be cleared:
  - i Within 4 weeks of receipt of application from employer 89%\*
  - ii Within 8 weeks of receipt of application from employer 99%\*
- b. Pensions age estimates for non-practitioners to be cleared:
  - i Within 4 weeks of request 68%
  - ii within 8 weeks of request 99%
- c. Pensions age estimates for practitioners to be cleared:
  - i Within 6 weeks of request 71%
  - ii Within 8 weeks of request 99%
- d. Transfer payments to be made:
  - i Within 8 weeks of application 95%
  - ii Within 10 weeks of application 99%

\* for incapacity awards the periods start from confirmation of medical incapacity.

#### Efficiency Improvements

To deliver at least 2 per cent efficiency gains in keeping with agreed 1992-93 running costs budget.

#### New Efficiency Indicators

By January 1993, to develop at least one of the output measures needed to construct an overall Corporate Efficiency Indicator for the Agency.

#### New Quality Indicators

- a. By 31 January 1993, to develop a statistical sampling method to provide a sound indicator of the level of accuracy in award and transfer calculations.
- b. By 31 December 1992, to complete a customer satisfaction survey for major Agency outputs.

#### Value for Money Review

By 31 January 1993, to undertake a review of Agency activities, and services used by the Agency, to determine a market testing programme for inclusion in the 1993-94 Business Plan.

### **Organisational Effectiveness Review**

By 31 January 1993, to complete the first review of Agency structure and organisation and to identify a preliminary programme for improving effectiveness for stakeholders in the Agency's services.

### **Support Systems Review**

By 31 January 1993, to provide an Information Systems Strategy to support the Agency's corporate, business and management objectives.

### **Citizen's Charter**

By 31 March 1993, to propose new mechanisms for registering stakeholders' views on Agency services.



## ANNEXES 11 THIRD WAVE NHS TRUSTS

The hospitals and other units listed below will become operational as NHS trusts from 1 April 1993. The four London Teaching Hospitals which applied in the second wave (St Mary's NHS Trust, The Barts NHS Trust, The King's Health Care NHS Trust, and St Thomas' Hospital NHS Trust) along with St George's Healthcare which applied this year, will also become operational from this date, subject to decisions made following Sir Bernard Tomlinson's report of the inquiry into the organisation of health services in London. The Secretary of State has decided that as a pilot project Teddington Memorial Hospital should be established as a shadow trust for a period of two years.

**NORTHERN RHA**

Cumbria Ambulance Service NHS Trust  
 Durham County Ambulance Service NHS Trust  
 Northumberland Mental Health NHS Trust  
 Gateshead Hospitals NHS Trust (Queen Elizabeth & Bensham)  
 South Cumbria Community & Mental Health NHS Trust  
 South Tees Community & Mental Health NHS Trust  
 South Tyneside Health Care NHS Trust  
 South West Durham Mental Health NHS Trust  
 Westmorland Hospitals NHS Trust  
 West Cumbria Health Care NHS Trust

**YORKSHIRE RHA**

Calderdale Health Care NHS Trust  
 East Yorkshire Hospitals NHS Trust  
 Grimsby Health NHS Trust  
 Huddersfield NHS Trust  
 Royal Hull Hospitals NHS Trust  
 Humberside Ambulance Service NHS Trust  
 Leeds Community & Mental Health Services Teaching NHS Trust  
 North Yorkshire Ambulance Service NHS Trust  
 Pinderfields Hospitals NHS Trust  
 Pontefract Hospitals NHS Trust  
 Scunthorpe and Goole Hospitals NHS Trust  
 Scunthorpe Community Health Unit NHS Trust  
 West Yorkshire Metropolitan Ambulance Service NHS Trust  
 Wakefield and Pontefract Health NHS Trust

**TRENT RHA**

Barnsley District General Hospital NHS Trust  
 Central Nottinghamshire Healthcare NHS Trust  
 Chesterfield and North Derbyshire Royal Hospital NHS Trust  
 Derbyshire City General Hospital NHS Trust  
 West Lindsey NHS Trust (Gainsborough and District Health)  
 Glenfield Hospital NHS Trust  
 Leicester Royal Infirmary NHS Trust  
 Leicester General Hospital NHS Trust  
 Fosse Health, Leicestershire Community NHS Trust  
 Nottingham Ambulance Service NHS Trust  
 Queens Medical Centre, Nottingham University Hospital NHS Trust  
 Rotherham General Hospitals NHS Trust

## ANNEXES

Rotherham Priority Health Services NHS Trust  
Community Health Services, Southern Derbyshire NHS Trust  
Southern Derbyshire Mental Health NHS Trust  
South Lincolnshire Community & Mental Health Services NHS Trust

### EAST ANGLIAN RHA

Addenbrooke's NHS Trust  
East Suffolk Local Health Services NHS Trust  
Ipswich Hospital NHS Trust  
James Paget Hospital NHS Trust  
Lifespan Health Care Cambridge NHS Trust (Cambridge Community)  
Mid Anglia Community Health NHS Trust  
North West Anglia Healthcare NHS Trust  
Papworth Hospital NHS Trust  
Peterborough Hospitals NHS Trust  
West Suffolk Hospitals NHS Trust

### NORTH WEST THAMES RHA

Bedfordshire and Hertfordshire Ambulance Services NHS Trust  
West London Healthcare NHS Trust (Ealing Community/Mental Health)  
Hounslow & Spelthorne Community & Mental Health NHS Trust  
Bedfordshire & Shires Health & Care NHS Trust (North Bedfordshire Community Health)  
North London Mental Health Services NHS Trust  
Northwick Park Hospital NHS Trust  
Riverside Mental Health NHS Trust  
Teddington Memorial Hospital NHS Trust  
West Middlesex University Hospital NHS Trust

### NORTH EAST THAMES RHA

BHB Community Health Care NHS Trust  
Camden & Islington Community Health Services NHS Trust  
Chase Farm Hospitals NHS Trust  
Enfield Community Care NHS Trust  
Havering Hospitals NHS Trust  
Mid-Essex Community Health NHS Trust  
Redbridge Healthcare NHS Trust  
Royal London Homeopathic Hospital NHS Trust  
Thameside Community Health Care NHS Trust  
Whittington Hospital NHS Trust

### SOUTH EAST THAMES RHA

Brighton Health Care NHS Trust  
Bromley Hospitals NHS Trust  
Canterbury & Thanet Community Healthcare NHS Trust  
Eastbourne & County Healthcare NHS Trust  
Greenwich Healthcare NHS Trust  
Kent & Canterbury Hospitals NHS Trust  
Mid-Kent Healthcare NHS Trust  
Queen Mary's Sidcup NHS Trust  
Thanet Health Care NHS Trust

**SOUTH WEST THAMES RHA**

Crawley & Horsham NHS Trust  
 East Surrey Hospital & Community Healthcare NHS Trust  
 Mayday Healthcare NHS Trust  
 Merton & Sutton Community NHS Trust  
 Richmond, Twickenham & Roehampton Healthcare NHS Trust  
 Worthing Priority Care NHS Trust

**WESSEX RHA**

Andover District Community Health Care NHS Trust  
 North Hampshire, Loddon Community NHS Trust  
 Dorset Ambulance Service NHS Trust  
 Hampshire Ambulance Service NHS Trust  
 Isle of Wight Community Healthcare NHS Trust  
 Portsmouth Hospitals NHS Trust  
 St Mary's Hospitals NHS Trust (Isle of Wight Acute)  
 Southampton University Hospitals NHS Trust  
 Southampton Community Health Services NHS Trust  
 Wiltshire Ambulance Service NHS Trust

**OXFORD RHA**

East Berkshire Community Health NHS Trust  
 Horton General Hospital NHS Trust  
 Oxford Learning Disability NHS Trust  
 Radcliffe Infirmary NHS Trust  
 Royal Berkshire Ambulance NHS Trust  
 Royal Berkshire & Battle Hospitals NHS Trust (West Berks Acute Services)  
 South Buckinghamshire NHS Trust (Wycombe Health Authority)  
 Two Shires Ambulance NHS Trust (Northants and Buckinghamshire)  
 Berkshire Priority Care NHS Trust

**SOUTH WESTERN RHA**

Avalon NHS Trust (Somerset Mental Health)  
 Royal Devon & Exeter NHS Trust (Exeter Acute)  
 Gloucester Royal NHS Trust  
 Severn NHS Trust (Gloucestershire Community)

**WEST MIDLANDS RHA**

North East Worcestershire Community Health Care NHS Trust  
 (Bromsgrove and Redditch Community Health Services)  
 Burton Hospitals NHS Trust  
 Good Hope Hospital NHS Trust  
 Wolverley NHS Trust (Kidderminster and District Health Service Unit for People with Learning Difficulties)  
 Kidderminster Healthcare NHS Trust  
 North Warwickshire Healthcare NHS Trust  
 North Staffs Hospital Centre NHS Trust  
 Mid Staffordshire General Hospitals NHS Trust  
 Shropshire Mental Health NHS Trust  
 South Warwickshire General NHS Trust  
 South Worcestershire Community NHS Trust  
 The Princess Royal NHS Trust  
 Walsall Community Health Services NHS Trust



West Midlands Metropolitan Ambulance Service NHS Trust

**MERSEY RHA**

Countess of Chester Hospital NHS Trust (Chester Acute)

Cheshire Community Healthcare NHS Trust (Crewe)

Halton General Hospital NHS Trust

East Cheshire NHS Trust (Macclesfield)

Southport & Formby Community Health Services NHS Trust

Warrington Acute Unit NHS Trust

Warrington Community NHS Trust

**NORTH WESTERN RHA**

Calderstones NHS Trust

Mancunian Community Health NHS Trust

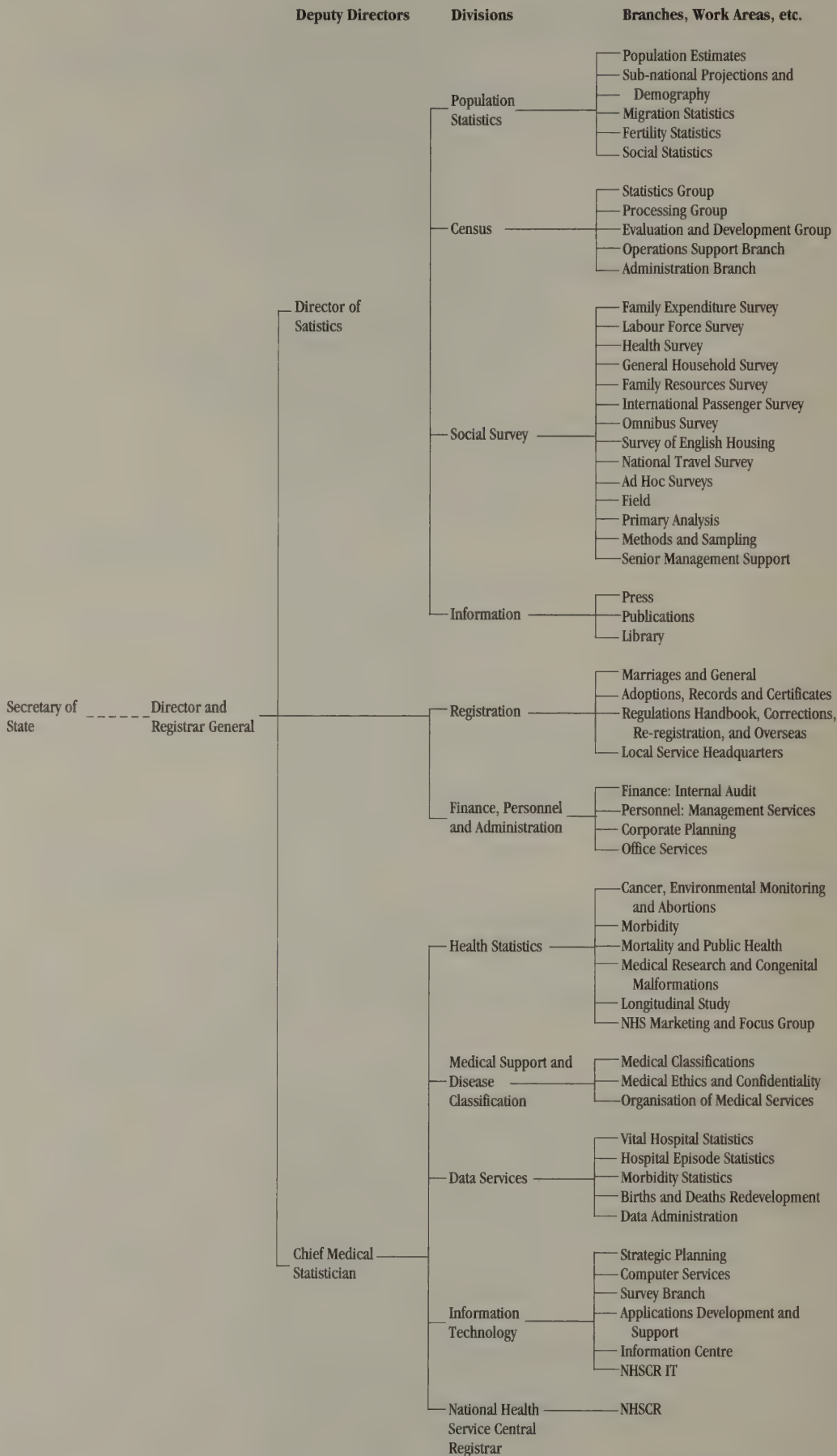
Wigan & Leigh Health Services NHS Trust

Chorley & South Ribble NHS Trust

West Lancashire NHS Trust

## ANNEX I

## OPCS Organisation Chart



## ANNEX J OPCS PUBLICATION PROGRAMME 1991-92

## (a) Volumes

|              | Title  | Series           | April 1991 target date | Actual publication date |
|--------------|--|------------------|------------------------|-------------------------|
| <b>DAVSD</b> |  |                  |                        |                         |
|              | Marriage and divorce statistics 1989*  | FM2 no. 17       | April 1991             | 17.04.91#               |
|              | Birth statistics 1990*   | FM1 no. 19       | February 1992          | 16.03.92#               |
| <b>ID</b>    |  |                  |                        |                         |
|              | Population Trends 64 Summer 1991   | PT               | June 1991              | 18.06.91                |
|              | Population Trends 65 Autumn 1991   | PT               | September 1991         | 17.09.91                |
|              | Population Trends 66 Winter 1991   | PT               | December 1991          | 05.02.92                |
|              | Population Trends 67 Spring 1992   | PT               | March 1992             | 17.03.92                |
| <b>MSD</b>   |  |                  |                        |                         |
|              | Mortality statistics: accidents and violence 1989*   | DH4 no. 15       | April 1991             | 09.05.91                |
|              | Mortality statistics: area 1989*   | DH5 no. 16       | April 1991             | 14.05.91                |
|              | Mortality statistics: childhood 1988*  | DH6 no. 2        | May 1991               | 30.05.91                |
|              | Mortality surveillance 1968-85   | DH1 no. 22       | May 1991               | 07.08.91                |
|              | Mortality statistics general 1989*   | DH1 no. 23       | May 1991               | 15.10.91                |
|              | Cancer statistics: registrations 1986*   | MB1 no. 19       | June 1991              | 10.10.91                |
|              | Communicable disease statistics 1989*  | MB2 no. 16       | June 1991              | 17.10.91                |
|              | Mortality statistics: perinatal and infant 1988*   | DH3 no. 22       | July 1991              | 10.07.91                |
|              | The geographical epidemiology of childhood leukaemia and non-Hodgkin lymphomas in Great Britain, 1966-83 | SMPS no. 53      | July 1991              | 26.09.91                |
|              | Mortality statistics: childhood 1989*  | DH6 no. 3        | September 1991         | 03.12.91                |
|              | Cancer statistics 1987*  | MB1 no. 20       | September 1991         | ..                      |
|              | Mortality statistics: perinatal and infant 1989*   | DH3 no. 23       | October 1991           | 11.02.92                |
|              | Mortality statistics: cause 1990*  | DH2 no. 17       | October 1991           | 17.12.91#               |
|              | Mortality statistics: area 1990*   | DH5 no. 17       | October 1991           | ..                      |
|              | Mortality statistics: childhood 1990*  | DH6 no. 4        | November 1991          | ..                      |
|              | Mortality statistics: accidents and violence 1990*   | DH4 no. 16       | December 1991          | ..                      |
|              | Abortions 1990*  | AB no. 17        | December 1991          | 18.12.91                |
|              | Congenital malformations 1990*   | MB3 no. 6        | December 1991          | ..                      |
|              | Communicable diseases 1990*  | MB2 no. 17       | January 1992           | ..                      |
|              | Mortality statistics: general 1990*  | DH1 no. 24       | January 1992           | ..                      |
|              | Mortality statistics: perinatal and infant 1990*   | DH3 no. 24       | January 1992           | ..                      |
| <b>PHSD</b>  |  |                  |                        |                         |
|              | International migration 1989*  | MN no. 16        | April 1991             | 16.04.91                |
|              | Electoral statistics 1991*   | EL no. 18        | June 1991              | 30.09.91                |
|              | Population projections, 1989 based, 1989 to 2029   | PP2 no. 17       | July 1991              | 18.07.91                |
|              | Population projections area, 1989 based, 1989 to 2011  | PP3 no. 8        | November 1991          | 18.12.91                |
|              | Key population & vital statistics 1990*  | VS 17/PP1 no. 13 | November 1991          | 17.12.91                |
|              | Migration data services  | Occasional paper | November 1991          | 06.01.92                |
|              | Immigration statistics: sources and definitions  | Occasional paper | December 1991          | Postponed               |
|              | Making a population estimate   | Occasional paper | December 1991          | 07.01.92                |
|              | International migration 1990*  | MN no. 17        | December 1991          | 06.02.92                |
| <b>SSD</b>   |  |                  |                        |                         |
|              | Labour Force survey 1988-89*   | IFS              | May 1991               | 10.10.91                |
|              | Leisure day visits   | SS               | June 1991              | 30.10.91                |

Continued



## ANNEX J OPCS PUBLICATION PROGRAMME 1991-92 – Volumes Continued

| Title  | Series | April 1991 target date | Actual publication date |
|--|--------|------------------------|-------------------------|
| Drinking in England & Wales 1989   | SS     | July 1991              | 15.07.91                |
| Annual Report 1990/91  | SS     | July 1991              | 18.07.91                |
| Weighting for non-response   | SS     | Jul/Aug 1991           | 08.10.91                |
| Smoking among secondary school children  | SS     | August 1991            | 10.09.91                |
| General Household Survey 1989*   | GHS    | September 1991         | 26.09.91                |
| Retirement & retirement plans  | SS     | December 1991          | ..                      |
| Prisoners survey   | SS     | February 1992          | ..                      |
| Labour Force Survey 1990*  | LFS    | March 1992             | ..                      |
| Private renting in 1990  | SS     | March 1992             | ..                      |
| Out of service teachers  | SS     | March 1992             | Postponed               |
| Electoral registration officers  | SS     | Not known              | 04.12.91                |
| Interviewer's Handbook   | SS     | Not in prog            | 03.10.91                |
| Healthy life expectancy  | SS     | Not in prog            | ..                      |
| Compiling the electoral register 1989  | SS     | Not in prog            | 20.11.91                |
| <b>CENSUS</b>  |        |                        |                         |
| Standard Occupational Classification<br>Vol 3 Social classifications and<br>coding methodology | CEN    | April 1991             | 21.05.91#               |
| 1991 Census: Preliminary Report for<br>England and Wales                                       | CEN    | July 1991              | 22.07.91#               |
| 1991 Census: Definitions volume  | CEN    | September 1991         | .. #                    |
| 1991 Census County : Isle of Wight   | CEN    | December 1991 to       | .. #                    |
| Reports : Northumberland   | CEN    | March 1992             | ..                      |
| : West Glamorgan   | CEN    |                        | ..                      |
| : Cornwall   | CEN    |                        | ..                      |
| : Cumbria  | CEN    |                        | ..                      |
| : Suffolk  | CEN    |                        | ..                      |
| : Lincolnshire   | CEN    |                        | ..                      |
| : Merseyside   | CEN    |                        | ..                      |
| : Cambridgeshire   | CEN    |                        | ..                      |
| : Oxfordshire  | CEN    |                        | ..                      |
| : Inner London   | CEN    |                        | ..                      |

\* Annual series

# Publications which are required to be laid before Parliament

## ANNEX J OPCS PUBLICATION PROGRAMME 1991-92 – Continued

|                      | Title  | Series          | April 1991 target date | Actual publication date |
|----------------------|--|-----------------|------------------------|-------------------------|
| <b>(b) Monitors*</b> |  |                 |                        |                         |
| <b>DAVSD</b>         |  |                 |                        |                         |
|                      | Live births in 1990  | FM1 91/1        | October 1991           | Cancelled               |
|                      | Divorces 1990  | FM2 91/1        | October 1991           | Cancelled               |
|                      | Marriages 1990   | FM2 91/2        | November 1991          | Cancelled               |
| <b>MSD</b>           |  |                 |                        |                         |
|                      | Infectious diseases, March quarter 1990  | MB2 91/2        | April 1991             | 10.09.91                |
|                      | Infectious diseases, June quarter 1990   | MB2 91/3        | May 1991               | 21.11.91                |
|                      | Legal abortions, December quarter 1990   | AB 91/2         | June 1991              | 18.06.91                |
|                      | Deaths by cause, December quarter 1990   | DH2 91/2        | June 1991              | 13.08.91                |
|                      | Deaths from accidents & violence<br>December quarter 1990                            | DH4 91/2        | June 1991              | 03.08.91                |
|                      | Legal abortions  | AB 91/3         | June 1991              | 09.07.91                |
|                      | Infectious diseases, September<br>quarter 1990                                       | MB2 91/4        | June 1991              | 28.01.92                |
|                      | Legal abortions: health areas 1990   | AB 91/4         | July 1991              | 09.07.91                |
|                      | Infant and perinatal mortality RHAs  | DH3 91/1        | August 1991            | 30.09.91                |
|                      | Legal abortions, March quarter 1991  | AB 91/5         | September 1991         | 24.09.91                |
|                      | Deaths by cause, March quarter 1991  | DH2 91/3        | September 1991         | 08.10.91                |
|                      | Deaths from accidents & violence<br>March quarter 1990                               | DH4 91.3        | September 1991         | 08.10.91                |
|                      | Infectious diseases, December<br>quarter 1991  | MB2 91/5        | September 1991         | 18.02.92#               |
|                      | Deaths occurring during sporting<br>& leisure activities                             | DH4 91.4        | September 1991         | 28.11.91                |
|                      | Legal abortions, June quarter 1991   | AB 91/6         | December 1991          | 21.01.92                |
|                      | Deaths by cause, June quarter 1991   | DH2 91/4        | December 1990          | 05.12.91                |
|                      | Deaths from accidents & violence<br>June quarter 1991                                | DH4 91/5        | December 1991          | 05.12.91                |
|                      | Infectious diseases, March quarter 1991  | MB2 91/6        | December 1991          | ..                      |
|                      | Legal abortions, September quarter 1991  | AB 92/1         | March 1992             | 31.03.92                |
|                      | Deaths by cause, September<br>quarter 1991   | DH2 92/1        | March 1992             | 24.03.92                |
| <b>MSD</b>           |  |                 |                        |                         |
|                      | Deaths from accidents & violence<br>September quarter 1991                           | DH4 92/1        | March 1992             | 31.03.92                |
|                      | Infectious diseases, June quarter 1991   | MB2 92/1        | March 1992             | ..                      |
| <b>PHSD</b>          |  |                 |                        |                         |
|                      | Electoral statistics 1991<br>local government areas                                  | EL 91/1         | April 1991             | 25.04.91                |
|                      | Mid-1990 population estimates<br>for England and Wales                               | PP1 91/1        | June 1991              | 06.08.91                |
|                      | 1989-based population<br>projections for local authority<br>areas in England & Wales | PP3 91/1        | August 1991            | 09.07.91                |
|                      | 1989-based population<br>projections for health authority<br>areas in England        | PP3 91/2        | September 1991         | 20.08.91                |
|                      | National projections: 1990-based<br>Key features for England and Wales               | PP2 91/1        | October 1991           | Cancelled               |
|                      | 1990 short-term subnational<br>projections: LAs & HAs in England                     | PP3 92/1        | Not in prog            | 11.02.92                |
|                      | Electoral statistics 1992<br>Parliamentary constituency areas                        | EL 92/1         | Not in prog            | 31.03.92                |
| <b>SSD</b>           |  |                 |                        |                         |
|                      | Methodology bulletin   | Bulletin no. 30 | July 1991              | 18.07.91                |

\* In addition to the listed Monitors 52 issues of The Registrar General's weekly return were published.

# Publications which are required to be laid before Parliament

Continued

## OPCS PUBLICATION PROGRAMME 1991-92 – Monitors Continued

| Title   | Series                   | April 1991 target date | Actual publication date |
|---|--------------------------|------------------------|-------------------------|
| General Household Survey preliminary results for 1990               | SS 91/1                  | September 1991         | 19.09.91                |
| Methodology bulletin  | Bulletin no. 31          | January 1992           | 16.01.92                |
| Cigarette smoking in 1990   | SS 92/1                  | January 1992           | 26.11.91                |
| Private renters   | SS 92/2                  | Not in prog            | 23.10.91                |
| <b>CENSUS</b>   |                          |                        |                         |
| Census Newsletter (four or five to be issued)                       | Newsletter               | As required            |                         |
| Supplement to 1991 Census preliminary report: people sleeping rough | CEN                      | Not in prog            | 22.07.91#               |
| 1991 Census County Monitors   | : Isle of Wight CEN      | October 1991 to        | ..#                     |
|   | : Powys CEN              | March 1992             | ..                      |
|   | : Northumberland CEN     |                        | ..                      |
|   | : West Glamorgan CEN     |                        | ..                      |
|   | : Cornwall CEN           |                        | ..                      |
|   | : Cumbria CEN            |                        | ..                      |
|   | : Suffolk CEN            |                        | ..                      |
|   | : Lincolnshire CEN       |                        | ..                      |
|   | : Merseyside CEN         |                        | ..                      |
|   | : Cambridgeshire CEN     |                        | ..                      |
|   | : Oxfordshire CEN        |                        | ..                      |
|   | : Inner London CEN       |                        | ..                      |
|   | : Outer London CEN       |                        | ..#                     |
|   | : West Midlands CEN      |                        | ..                      |
|   | : Berkshire CEN          |                        | ..                      |
|   | : Tyne & Wear CEN        |                        | ..                      |
|   | : Bedfordshire CEN       |                        | ..                      |
|   | : Gloucestershire CEN    |                        | ..                      |
|   | : Wiltshire CEN          |                        | ..                      |
|   | : South Yorkshire CEN    |                        | ..                      |
|   | : Hampshire CEN          |                        | ..                      |
|   | : West Yorkshire CEN     |                        | ..                      |
|   | : Clwyd CEN              |                        | ..                      |
|   | : North Yorkshire CEN    |                        | ..                      |
|   | : Devon CEN              |                        | ..                      |
|   | : Greater Manchester CEN |                        | ..                      |
|   | : Buckinghamshire CEN    |                        | ..                      |
|   | : Avon CEN               |                        | ..                      |
|   | : Leicestershire CEN     |                        | ..                      |
|   | : Cleveland CEN          |                        | ..                      |
|   | : Dyfed CEN              |                        | ..                      |
|   | : Humberside CEN         |                        | ..                      |
|   | : Gwent CEN              |                        | ..                      |
|   | : Nottinghamshire CEN    |                        | ..                      |
|   | : East Sussex CEN        |                        | ..                      |

\* In addition to the listed Monitors 52 issues of The Registrar General's weekly return were published.

# Publications which are required to be laid before Parliament



## LIST OF TABLES

**Department of Health**

- 1 Department of Health and Office of Population Censuses and Surveys summary cash plans 1987-88 to 1995-96.
- 2 Local authority expenditure 1987-88 to 1992-93.
- 3 National Health Service, England 1987-88 to 1995-96 - by Vote structure.
- 4 National Health Service, England 1987-88 to 1995-96 - by area of expenditure.
- 5 NHS sources of finance 1978-79 and 1987-88 to 1995-96.
- 6 Comparison of net expenditure plans for 1992-93 and 1993-94 in Annex A with those in last year's Departmental Report (Cm 1913) Table 1.
- 7 Allocations to regional health authorities 1992-93 and 1993-94.
- 8 HCHS capital schemes completed or planned for completion 1989-90 to 1993-94.
- 9 HCHS capital expenditure and revenue expenditure associated with capital including expenditure from receipts 1986-87 to 1990-91.
- 10 GMS cash limited expenditure 1988-89 to 1992-93.
- 11 Expenditure on local authority personal social services 1978-79 and 1986-87 to 1992-93.
- 12 Expenditure in real terms on core services for community care 1978-79, 1989-90 and 1990-91.
- 13 Departmental running costs 1987-88 to 1995-96.
- 14 Departmental manpower 1987-88 to 1995-96.
- 15 Departmental spending on publicity and advertising 1992-93.
- 16 Transfers to local authorities in England for community care 1993-94 to 1995-96.
- 17 Health and personal social services for elderly people 1978-79 and 1986-87 to 1990-91.
- 18 Health and personal social services for mentally ill people 1978-79 and 1986-87 to 1990-91.
- 19 Health and personal social services for people with learning disabilities 1978-79 and 1986-87 to 1990-91.
- 20 Hospital activity statistics 1978 and 1986 to 1991-92.
- 21 Community health and paramedical services activity statistics 1978 and 1986 to 1990-91.
- 22 FHS: Key statistics on general medical services 1978-79 and 1985-86 to 1991-92.
- 23 FHS: Key statistics on pharmaceutical services 1978-79 and 1985-86 to 1991-92.
- 24 FHS: Key statistics on general dental services 1978-79 and 1985-86 to 1991-92.
- 25 FHS: Key statistics on general ophthalmic services 1978-79 and 1985-86 to 1991-92.
- 26 Family health services staffing 1978 and 1985 to 1991.
- 27 NHS staff in post by main staff group 1981 and 1985 to 1991.
- 28 Capital receipts 1978-79 and 1985-86 to 1993-94.
- 29 Personal social services staff 1978-79 and 1986-87 to 1990-91

**Office of Population Censuses and Surveys**

- 30 Average time lapse in publishing annual reference volumes and routine quarterly and annual monitors.
- 31 Publications achievements in 1991-92.
- 32 Revenue from publication sales.
- 33 Workload in corrections and re registrations
- 34 Certificate production – Public Search Room and postal applications.
- 35 Timetable for the new Census Products.
- 36 Expenditure on the 1991 Census of Population (England and Wales).
- 37 Results for 'all ages' total populations of the 403 local authority districts.
- 38 Changes in number of vital events.
- 39 Continuous survey response rates.
- 40 NHSCR performance measures.

## LIST OF FIGURES

**Department of Health**

- 1 NHS sources of finance in 1992-93 (estimate)
- 2 NHS gross expenditure 1992-93 (estimate)
- 3 HCHS gross current expenditure by sector 1990-91 (estimate)
- 4 HCHS gross current expenditure by age group 1990-91 (estimate)
- 5 HCHS gross current expenditure per head 1990-91 (estimate)
- 6 Estimated growth in demand for HCHS for demographic changes 1975-76 to 1998-99
- 7 Non cash limited FHS gross expenditure 1991-92
- 8 CHMS gross expenditure 1992-93 (estimate)
- 9 Growth in local authority net current expenditure on personal social services 1978-79 to 1992-93
- 10 Local authority net current expenditure on personal social services by client group 1978-79 and 1990-91
- 11 Local authority net current expenditure in real terms on personal social service by client group and type of care 1978-79 and 1990-91
- 12 Change in the numbers of patients waiting between 12 and 23 months and over two years March 1988 to September 1992
- 13 Change in mean waiting time March 1988 to March 1992
- 14 HCHS cost weighted activity index 1978-79 to 1990-91
- 15 Average cost per inpatient or day case by hospital type 1978-79 to 1986-87, by specialty 1987-88 to 1990-91
- 16 General and acute purchases of activity per 100,000 population 1991-92, general and acute beds per 1,000 population 1991-92, and standard mortality rates 1987-91, by region
- 17 Day cases as a proportion of all general and acute activity by region 1991-92
- 18 Elderly day care attendances per 100,000 population over age 74 by region 1990-91
- 19 Death rates for coronary heart disease in persons aged under 65 per 100,000 population by region 1989-91
- 20 Proportion of items prescribed generically by region 1990-91
- 21 NHS staff in post by main staff group 1981 to 1991
- 22 Average new weekly cost per recipient of personal social services 1986-87 to 1990-91

**Office of Population Censuses and Surveys**

- 23 OPCS staff by division September 1992
- 24 Expenditure and income by activity 1990-91 to 1995-96
- 25 OPCS staffing 1986-87 to 1995-96
- 26 Social Survey continuous surveys

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See Annex J

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**GLOSSARY****Cash Limit**

A means of applying a firm control over public sector cash expenditure by giving budget managers, at the beginning of a financial year, a clear indication of the cash available so that they can plan accordingly. Each cash limit (normally linked with a Supply Estimate Vote) is announced to Parliament by means of a Parliamentary Question and Answer and any amendment during the year is similarly announced.

**Central Health and Miscellaneous Services**

These are a wide range of activities funded from the Department's Health and Personal Social Services programmes whose only common feature is that they receive funding direct from the Department, and not via health authorities. Some of these services are managed directly by Departmental staff, others are run by non-departmental public bodies, or other separate executive organisations.

**Consolidated Fund**

The Government's tax revenues and other current receipts are paid into this Fund and the largest part of central government expenditure is financed from it.

**District Health Authority (DHA)**

The DHA is responsible, within the resources available, for identifying the health care needs of its resident population and for securing through its contracts with providers a package of hospital and community health services to reflect those needs. The DHA has a responsibility - with the local authority and family health services authority - to ensure satisfactory collaboration and joint planning with other agencies. It is accountable to the regional health authority for the satisfactory discharge of its responsibilities.

**Directly Managed Unit (DMU)**

An NHS hospital or unit which remains within district health authority control and has not acquired NHS trust status.

**Estimates**

See "Supply Estimates".

**Events Redevelopment**

OPCS programme to rewrite the Department's main statistical systems.

**Executive Agencies**

Executive agencies are self-contained units established under the "Next Steps" initiative aimed at improved management in government. They carry out specific executive functions on behalf of the parent department within an operational framework agreed by Ministers.

**Family Health Services (FHS)**

Services provided on the Secretary of State's behalf by FHSAs, generally through doctors in general practice, dentists, pharmacists and opticians, all of whom are independent contractors. Their contracts are set centrally by the Department following consultation with representatives of the relevant professions. Funding of the FHS is demand-led and not subject to in-year cash limits. The exceptions to this are certain payments to doctors in general practice (GMS cash limited spending), the costs of FHSA administration, and expenditure by GP fundholders on drugs. Funding for these items is included in (cash limited) HCHS funds.

**Family Health Services Authority (FHSA)**

FHSAs are responsible for managing the services provided under the NHS by family doctors, dentists, community pharmacists and ophthalmic opticians. FHSAs are accountable to RHAs and work in close collaboration with DHAs.

**General Medical Services (GMS)**

All necessary and appropriate personal medical services of the type usually provided by general medical practitioners: for example, giving appropriate health promotion advice; offering consultations and physical examinations; offering appropriate examinations and immunisations; arranging referrals etc.

**GP Fundholders**

Family doctors (GPs) whose practices have chosen to accept an agreed budget for part of their practice activity (covering practice staff, hospital referrals, drug costs, and from April 1993 community nursing services) and to manage that budget themselves. These budgets are within the cash limited part of HCHS spending.

**Gross/Net**

Net expenditure in the context of this report is public expenditure. Gross expenditure is public expenditure plus expenditure financed from other sources, such as charges for services, receipts from land sales and income generation schemes.

**Guardian Ad Litem (GAL)**

A guardian ad litem is an independent social worker appointed by the court in care and related proceedings. The guardian's role is to represent the child's interests and to make a recommendation on what outcome is in the best interests of the child.

**Hospital and Community Health Services (HCHS)**

In the main, services which are under direct control of the fourteen RHAs who oversee 177 DHAs. The main elements are the provision of hospital services, and certain community health services, such as district nurses, which are not provided by the FHS. HCHS provision is cash limited and also includes funding for those elements of FHS spending which are cash limited (GMS cash limited expenditure and FHSA administration costs).

**Key Life Events**

Events such as births, marriages and deaths.

**Marginal Extra Receipts Scheme**

The Marginal Extra Receipts Scheme is a facility whereby small increases in running costs (up to 1 per cent of the departmental total) can be funded out of increased receipts.

**NHS Central Register**

The National Health Service Central Register compiles and maintains a central register of patients registered with a general practitioner, on behalf of the Department of Health and the Welsh Office.

**NHS Trust**

An NHS trust is a unit which is run by its own Board of Directors; is independent of district and regional health authority management; and has wide ranging freedoms not available to units which remain under health authority control. Whilst remaining fully within the NHS, trusts differ in one fundamental respect from directly managed units - they are operationally independent. Trusts are directly accountable to Ministers via the NHS Management Executive.

**National Insurance Fund**

The statutory fund into which all National Insurance contributions payable by employers, employees and the self-employed are paid, and from which expenditure on most contributory social security benefits is met. A supplement from the Consolidated Fund covers the difference between payments and receipts.

**Outturn**

Actual expenditure as against planned expenditure.



**Performance Measures****Measures and Indicators**

A measure is a direct quantification of output or of some aspect of performance. An indicator is a statistic which gives some information about output or performance. For many services, performance would be described better in terms of outcome (such as improvement in health) than output (such as numbers of patients treated), but valid and reliable outcome measures are difficult to construct.

**Economy**

An economy measure describes the extent to which the cost of inputs is minimised. Economy is usually measured in terms of money saved by switching to cheaper inputs.

**Efficiency**

An efficiency measure describes the relationship between the output of an organisation and the associated inputs. Limitations in output measures are reflected in any efficiency measures derived from them.

**Quality**

A quality measure describes the usefulness or value of a service. A quality of service measure relates to the delivery of that service to the recipient. Outcome measures are quality measures.

**Effectiveness**

An effectiveness measure reveals the extent to which objectives have been met; it makes no reference to cost.

**Target**

A target is a quantified objective set by management to be attained at a specified future date.

**Personal Social Services (PSS)**

Personal care services for vulnerable people, including those with special needs because of old age or physical or mental disability and children in need of care and protection. Examples are residential care homes for the elderly, home help and home care services, and social workers who provide help and support for a wide range of people. Local authorities are required by statute to provide services in their areas and to act under the general guidance of the Secretary of State. They also work closely with voluntary and private organisations involved in the provision of such services. The Department liaises closely with local authorities and issues a wide range of written guidance. Besides a role in resource allocation and monitoring, the Department also has powers of inspection and inquiry and responsibility for training.

**Population and Health Statistics**

Over 10 per cent of the resources of OPCS are devoted to the production of basic population and medical statistical information to meet the needs of both the public and the private sectors, Parliament and the general public.

**Project 2000**

Project 2000 moves pre-registration training of nurses from a work based programme in which student nurses perform rostered duties and are paid a salary to a diploma level higher education based course with work experience concentrated in the latter part of training. Project 2000 student nurses are given bursaries. Their courses of training are designed to produce registered nurses who will be better able to respond to demanding changes in nursing and in the health care environment.

**Regional Health Authority**

RHAs allocate resources to DHAs and FHSAs and monitor their performance in achieving agreed objectives. They are the Department's agents for managing change and for ensuring the implementation of Government policies in the HCHS and FHS.

**Registration Division**

The Division's functions are to administer the law on marriage; to control the registration of all births, still-births, deaths and marriages in England and Wales; to secure a central record of events registered; and to provide certified copies of extracts from the central record.

**Service Increment for Teaching and Research (SIFTR)**

The Service Increment for Teaching and Research (SIFTR) is funding intended to compensate hospitals for the extra NHS costs of providing facilities for clinical undergraduate medical and dental education and research.

**Specific Grants**

Grants (usually for current expenditure) allocated by central government to local authorities for expenditure on specified services.

**Supply Estimate**

A request by the Executive to Parliament for funds required in a financial year to meet most expenditure by Government Departments and certain related bodies. The published Supply Estimates are sub-divided into groups (Classes) which contain provision (usually by a single Department) covering services of a broadly similar nature. A sub-division of a Class is known as a "Vote" and covers a narrower range of services. It is the net provision within each Vote which is authorised (or "voted") by Parliament.

**Trading Fund**

A trading fund provides a financing framework which covers operating costs and receipts, capital expenditure, borrowing and net cash flow. It has powers to meet capital expenditure and working capital requirements, and to establish reserves out of surpluses. Within the framework it can meet outgoings without detailed cashflows passing through Vote accounting arrangements. Trading funds are government departments or accountable units within government departments set up under the Government Trading Funds Act 1973, as amended by the Government Trading Act 1990. The Acts enable the responsible Minister, where he thinks this will lead to improved management efficiency and effectiveness, to set up as a trading fund a body which is performing a statutory and monopoly service whose fees are fixed by or under statute.

**Vital Events**

See "Key Life Events".

**Vote**

See "Supply Estimate".

## INDEX

|   |  |
|---|--|
| <b>Agency Status for OPCS</b>                               | 6.5                                      |
| <b>Audit Commission</b>                                     | 5.37                                     |
| <b>Capital Charges</b>                                      | 3.28                                     |
| <b>Census of Population in England and Wales</b>            | 6.4, 6.5, 6.10, 6.14, 6.20,<br>6.42-6.47 |
| <b>Central Health and Miscellaneous Services</b>            |  |
| Expenditure   | 3.33                                     |
| Performance and Use of Resources                            | 5.24                                     |
| <b>The Citizen's Charter</b>                                | 4.8, 6.23, 6.24                          |
| <b>Community Care</b>                                       |  |
| Expenditure   | 3.44                                     |
| Policy and Service Developments                             | 4.19-4.53                                |
| <b>"Competing for Quality"</b>                              | 4.8, 5.40, 5.57                          |
| <b>Dental Practice Board</b>                                | 3.33, 5.26                               |
| <b>Departmental Administration - DH</b>                     |  |
| Running Costs   | 3.45                                     |
| Manpower  | 3.45                                     |
| Performance and Use of Resources                            | 5.51-5.64                                |
| <b>Departmental Administration - OPCS</b>                   |  |
| Running Costs   | 6.9-6.11                                 |
| Staffing  | 6.8                                      |
| <b>Department of Health</b>                                 |  |
| Responsibilities  | 1.2-1.4                                  |
| Cash Plans  | 1.6                                      |
| Aims and Goals  | 2.1, 2.2                                 |
| Priorities and Key Challenges                               | 2.3, 4.1                                 |
| <b>Director and Registrar General for England and Wales</b> | 6.1                                      |
| <b>Efficiency and Value for Money - OPCS</b>                | 6.16-6.20                                |
| <b>European Community</b>                                   | 4.54-4.58                                |
| <b>Family Health Services</b>                               |  |
| Recent Expenditure Trends                                   | 3.10                                     |
| Expenditure Plans   | 3.15                                     |
| Expenditure   | 3.29-3.32                                |
| Performance and Use of Resources                            | 5.13-5.25                                |
| <b>General Dental Services</b>                              |  |
| Expenditure   | 3.30                                     |
| Performance and Use of Resources                            | 5.23-5.24                                |
| <b>General Medical Services</b>                             |  |
| Expenditure   | 3.30                                     |
| Performance and Use of Resources                            | 5.14-5.17                                |
| <b>General Ophthalmic Services</b>                          |  |
| Expenditure   | 3.30                                     |
| Performance and Use of Resources                            | 5.25                                     |



|   |   |
|---|---|
| <b>GP Fundholding</b>   | 4.65, 5.17                              |
| <b>Health Education Authority</b>                               | 3.47                                    |
| <b>"The Health of the Nation"</b>                               | 4.2-4.7, 4.44                           |
| <b>Hospital and Community Health Services</b>                   |   |
| Recent Expenditure Trends                                       | 3.10                                    |
| Expenditure Plans   | 3.13, 3.14                              |
| Expenditure Breakdown   | 3.17-3.27                               |
| Performance and Use of Resources                                | 5.2-5.12                                |
| Health Service Activity   | 5.2-5.4                                 |
| Overall Efficiency  | 5.5-5.9                                 |
| Hospital Unit Costs   | 5.10-5.12                               |
| <b>HIV/AIDS</b>   | 3.24, 3.38, 3.42, 4.4                   |
| <b>Junior Doctors' Hours</b>                                    | 3.24, 5.35 (box)                        |
| <b>London</b>   | 3.24, 4.66                              |
| <b>Medicines Control Agency</b>                                 | 3.45, 5.60, Annex G                     |
| <b>Mental Health Services</b>                                   | 3.33, 3.42, 4.4, 4.44-4.48              |
| <b>National Health Service</b>                                  |   |
| Scope of the Health Programme                                   | 3.1                                     |
| Expenditure   | 3.2-3.7                                 |
| Sources of Finance  | 3.8                                     |
| Recent Expenditure Trends                                       | 3.9-3.11                                |
| Expenditure Plans   | 3.12-3.16                               |
| Staffing  | 5.32-5.35                               |
| <b>NHS Central Register</b>                                     | 6.4, 6.19, 6.68-6.71                    |
| <b>NHS Estates</b>  | 3.46, 5.42, Annex G                     |
| <b>NHS Pensions Agency</b>                                      | 3.46, 5.60, Annex G                     |
| <b>NHS Supplies Authority</b>                                   | 5.38-5.39                               |
| <b>NHS Trusts</b>   | 3.27, 4.60-4.61, 5.35 (box),<br>Annex H |
| <b>Office of Population Censuses and Surveys</b>                |   |
| Responsibilities  | 1.5                                     |
| Cash Plans  | 1.6                                     |
| Aims and Goals  | 6.2-6.3                                 |
| Priorities and Key Challenges                                   | 6.5                                     |
| <b>Opportunity 2000</b>   | 5.35 (box), 5.63                        |
| <b>Parliamentary Boundary Commissions for England and Wales</b> | 6.6, 6.10, 6.20                         |
| <b>The Patient's Charter</b>                                    | 4.8-4.18                                |
| <b>Personal Social Services</b>                                 |   |
| Scope   | 3.34                                    |
| Recent Expenditure Trends                                       | 3.35-3.38                               |
| Specific Grants   | 3.38, 3.42                              |
| Expenditure Plans   | 3.39-3.42                               |
| Expenditure Breakdown   | 3.43                                    |

|  |                       |
|--|-----------------------|
| Performance and Use of Resources                 | 5.46-5.50             |
| Overall Efficiency                               | 5.46                  |
| Unit Costs                                       | 5.47-5.49             |
| Staffing   | 5.50                  |
| <b>Pharmaceutical Services</b>                   |                       |
| Expenditure                                      | 3.30                  |
| Performance and Use of Resources                 | 5.18-5.22             |
| <b>Pharmaceutical Price Regulation Scheme</b>    | 5.21                  |
| <b>Population and Health Statistics</b>          | 6.22, 6.48-6.57       |
| <b>Prescription Pricing Authority</b>            | 3.33, 5.19, 5.26      |
| <b>Project 2000</b>                              | 3.24, 5.35 (box)      |
| <b>Publications Programme - OPCS</b>             | 6.26-6.32, Annex J    |
| <b>Purchasing (Health Services)</b>              | 4.63-4.64             |
| <b>Quality of Service - OPCS</b>                 | 6.5, 6.21-6.25        |
| <b>Registration Service in England and Wales</b> | 6.23, 6.33-6.41       |
| <b>Selected List</b>                             | 5.22                  |
| <b>Social Survey Division</b>                    | 6.20, 6.21, 6.58-6.67 |
| <b>Special Transitional Grant</b>                |                       |
| Expenditure Plans                                | 3.39                  |
| Policy Objectives                                | 4.25-4.27             |
| <b>Value for Money Unit</b>                      | 5.36                  |
| <b>Voluntary Sector</b>                          | 3.33                  |
| <b>Welfare Food Programme</b>                    | 3.33                  |
| <b>World Health Organisation</b>                 | 6.7                   |
| <b>Youth Treatment Service</b>                   | 3.46, 5.60, Annex G   |















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